

THE INDIAN CO-OPERATIVE REVIEW

VOL. VIII

JANUARY—MARCH 1942

No. 1

CONTENTS

	PAGE
EDITORIAL NOTES	
Post-War India and Co-operation; Ourselves ..	i
Co-operative Movement in India—A General Survey <i>By The Hon'ble V. Ramadas Pantulu</i> ..	1
The Reserve Bank of India and Co-operative Banking <i>By Vaikunth L. Mehta</i> ..	21
Rural Indebtedness in India <i>By Dr. B. V. Narayanaswamy Naidu</i> ..	41
The All-India Village Industries Association--Its Sphere and Work <i>By J. C. Kumarappa</i> ..	60
The Economics of Khadder <i>By Dr. B. Pattabhi Sitaramayya</i> ..	64
Indian Provincial Co-operative Banks' Association <i>By V. M. Thakore</i> ..	66
All-India Co-operative Institutes' Association--Its Functions and Working <i>By Khan Mohammad Bashir Ahmad Khan</i> ..	73
The Indian Co-operative Review <i>By Khan Mohammad Bashir Ahmad Khan</i> ..	82
CO-OPERATIVE PRESS IN INDIA ..	86
DEPARTMENTS OF CO-OPERATION ..	91
CO-OPERATIVE ORGANISATIONS IN INDIA ..	97

CONTENTS (Contd.)

	Page
PROVINCES AND STATES IN INDIA	
Area, Population, Co-operative Societies, Members, Working Capital, 1940	.. 109
Map of India showing Provinces and States	.. 110
Distribution of Provincial and Central Co-operative Banks and Banking Unions	.. 112
Distribution of Provincial and Primary Land Mortgage Banks and Urban Co-operative Banks	.. 113
Distribution of the Offices of the Co-operative Banks	. 114
Audit Classification of Co-operative Societies, 1939-40	. 115
Number of Societies, the Amount of Working Capital of Working Societies, and the Amount involved in Societies under liquidation at the end of 1938-39	. 116
WHO IS WHO AMONG CO-OPERATORS IN INDIA	.. 117

THE INDIAN CO-OPERATIVE REVIEW

VOL: VIII

APRIL—JUNE 1942

No. 2

CONTENTS

PAGE

EDITORIAL NOTES

Place of Co-operative Organisation in the War and Post-war Economy; The Fifth All-India Co-operative Conference; Co-operative Education and Propaganda; Co-operation and the Reserve Bank of India; Just settlement of Indian Problems	.. 189
War and our Food Problem <i>By The Editor</i>	.. 200
Repayments in Land Mortgage Banks' in Madras <i>By N. Sundara Rama Sastry</i>	.. 208
Structure of Production and Rural Economics in India <i>By S. Kesava Iyengar</i>	.. 214
Rehabilitation of Co-operative Central Banks in Central Provinces and Berar <i>By D. V. Rege</i>	.. 234
Effects of War on Rural and Urban Economy in the Punjab <i>By Ch. Muntaz Ahmad</i>	.. 241
Co-operative Stores and Working Classes <i>By K. C. Ramakrishnan</i>	.. 249

THE PLACE OF CO-OPERATIVE ORGANISATIONS IN THE WAR AND POST-WAR ECONOMY—PLAN FOR AN ENQUIRY BY INTERNA- TIONAL LABOUR OFFICE, MONTREAL	.. 258
--	--------

CO-OPERATIVE CONFERENCES AND MEETINGS

The Twelfth Land Mortgage Banks' Conference, Madras 3-1-1942	.. 265
The XI Coorg Provincial Co-operative Conference Mercara 1st March 1942	.. 268
The Bombay Co-operative Banks' Conference, Poona, 23rd and 24th May 1942	272
Co-operators Honoured—The South India Co-operative Insurance Society Ltd.	.. 273

CO-OPERATIVE NEWS AND NOTES	.. 275
-----------------------------	--------

SUPPLEMENT

The Fifth All-India Co-operative Conference, Nagpur, 4th April 1942. 1-61

THE INDIAN CO-OPERATIVE REVIEW

VOL. VIII

JULY—SEPTEMBER, 1942

No. 3

CONTENTS

EDITORIAL NOTES	PAGE
Agricultural Development and Co-operation; Harijans and the Co-operative Movement; Problems of the Store Movement; The Madras Report on Co-operation, (1940-1941)	.. 279
Economic Democracy in China <i>By Vaikunth Lal Mehta</i>	.. 287
Improvement of our Agricultural Statistics <i>By P. J. Thomas and N. Sundararama Sastry</i>	.. 294
An Experiment in Rural Banking <i>By N. Satyanarayana</i>	.. 300
The War and Developments in Consumers' Co-operation <i>By P. S. Lokanathan</i>	.. 311
REVIEWS	
Year Book of Agricultural Co-operation 1942—K.C.R.	.. 322
Indian Economics Vol. II.—Editor	.. 324
CO-OPERATIVE SOCIETIES AT WORK IN INDIA	
Bengal	.. 326
Madras	.. 342
Bihar	.. 357
CO-OPERATIVE CONFERENCES AND MEETINGS	
The 31st Annual General Meeting of the Bombay Provincial Co-operative Bank, Ltd.	.. 362
Third Annual Report of the Bombay Co-operative Banks' Association (1941-1942)	.. 363
EXTRACTS	
The Bombay Provincial Co-operative Institute	.. 365
Canegrowers' Co-operative Societies in Bihar	.. 367
CO-OPERATIVE NEWS AND NOTES	.. 369
YEAR-BOOK AND DIRECTORY OF INDIAN CO-OPERATION 1942—	
SOME PRESS REVIEWS	
The Hindu	.. 370
Indian Express	.. 371
The Mysore Economic Journal	.. 372
The Bombay Co-operative Quarterly	.. 373

THE INDIAN CO-OPERATIVE REVIEW

VOL. VIII

OCTOBER—DECEMBER, 1942

No. 4

CONTENTS

EDITORIAL NOTES	PAGE
Ourselves—Programme for 1943; International Co-operative Day—India's Post-War Status; Social Insurance and Co-operators; Employees in Co-operative Institutions ..	375
Industrial Co-operatives in China <i>By J. Henry Carpenter</i> ..	384
Co-operation and Post-War Economic Reconstruction <i>By The Hon'ble V. Ramadas Pantulu</i> ..	397
Urban Consumer's and Agricultural Producers <i>By K. C. Ramakrishnan</i> ..	406
Co-operative Marketing on a Pooling Basis <i>By Tribeni Sahu Misra</i> ..	416
REVIEW	
Some South Indian Villages—Editor ..	420
CO-OPERATIVE SOCIETIES AT WORK IN INDIA	
Travancore ..	424
Mysore ..	425
Baroda ..	427
CO-OPERATIVE CONFERENCES AND MEETINGS	
The XXIX Mysore Provincial Co-operative Conference Mysore 16th October 1942 ..	433
EXTRACTS	
Emergency Services of the T.U.C.S., The Review of International Co-operation Sep. 1942 ..	444
Agricultural Co-operation in Cannada ..	445
Review of the Co-operative Movement in India ..	446
Greetings to Chinese Sisters ..	447

CONTENTS (*Contd.*)

OPERATIVE NEWS AND NOTES	.. 449
YEAR-BOOK AND DIRECTORY OF INDIAN CO-OPERATION 1942— SOME PRESS REVIEWS	
Review of International Co-operation Sep. 1942	.. 451
The United Provinces Co-operative Journal June 1942	.. 455
Co-operative Bulletin, Kashmir	.. 456
Federated India, October, 1942	.. 457

THE INDIAN CO-OPERATIVE REVIEW

VOL. VIII

JANUARY—MARCH 1942

No. 1

EDITORIAL NOTES

POST-WAR INDIA AND CO-OPERATION

We send our hearty greetings to our readers for the New Year 1942. We earnestly hope that the new year will witness the triumph of Freedom and Democracy and the consequent end of all Imperial Dominations. We wish speedy and decisive victory to the Allies—Britain, America, Russia and China—against the dark forces of aggression, so that the world may be rid of a similar menace from them in future. In common with the International Co-operative Alliance and such of her member national co-operative movements, that still retain their freedom in the deadly struggle, the Indian National Co-operative Movement looks forward to the early establishment of stable peace founded on genuine co-operative ideals. We hope and trust that the new world order envisaged by the Allies will be based on real political liberty, genuine economic freedom and true social justice to all nations. Sir Thomas Allen, the ex-Vice-President of the International Co-operative Alliance, writing in the Review of International Co-operation (October 1941), discusses how far the Eight-Point Declaration known as the 'Atlantic Charter' reifies the principles proclaimed by the International Co-operative Alliance in its 'Articles' and maintained in all its activity and says "here is a programme addressed to all nations; none is excluded. It is a new order based upon freedom, equity, and Co-operation—a declaration that the mobilisation of the resources of all liberty-loving peoples can and shall be used in permanent collaboration on the principle of 'each is for all and all is for each'..... The 'Charter' puts the issues of peace, order, freedom, social welfare and collective security in a new setting; leading away from world war to universal purpose and a prosperous humanity."

India has an indisputable claim for her rightful place among the free nations on earth in such new world order. India is determined to

become free and play her proper role in the future world economy and nothing can stand in the way of her achieving it. But, India like all other countries in the world, must realise that the impact of the war economy on her national life cannot and will not leave her worn-out economic dogmas, methods and standards unaffected. Post-war years will by no means be easy or comfortable and many readjustments will have to be made in our socio-economic structure. The balance between the town and the country will have to be redressed. Better and more equal opportunities in life to all sections of the community, a more equitable and rational distribution of wealth and commodities and goods produced will have to be ensured. Use and not profit shall be the motive for production; in other words, the consumer and not the producer shall be the starting point of our economic policy. The most terrible indictment of the present economic system of India is perhaps that levelled by Mahatma Gandhi in the *Harijan* of the 25th January in these words: "The well-to-do live on the poor." This state of things must go.

In this process Rural India may rediscover her soul. Villages may become more self-sufficient and rural economy may be better co-ordinated with urban economy so that the town and village may together produce all that India wants and the dependence on foreign countries for the supply of her wants eliminated. It is now universally recognised that all armed conflicts have their root cause in economic conflicts. A statesman whose country is now involved in the war is reported to have said that if goods are not allowed to move across the borders of a neighbouring country, armies will. The prospects of elimination of economic conflict among the nations of the world lie in the international solution of their problems on a co-operative basis. Co-operation is bound to prove immensely helpful in those efforts if the States and the peoples realise its potentialities and know how to harness it to the task. The *Indian Co-operative Review* will endeavour to make its own humble contribution to the problem of post-war reconstruction of Indian rural and urban economy on genuine co-operative principles. The pages of the *Review* are open to contributions by informed writers on the subject.

OURSELVES

With this issue, the *Review* enters on the eighth year of its career. Our readers will notice that this issue materially differs from its predecessors, both in regard to the subject matter and the mode of its presentation. It contains, besides original articles on current topics of

general interest contributed by writers who are already familiar to our readers, some information of standing interest, if it is periodically brought up-to-date, and will serve as a book of reference on those matters. It is really the All-India part of the Year-Book and Directory of Indian Co-operation, 1942, which is just published; this number is and supplied as the January—March Quarter's issue of the *Review*, to our members and subscribers, without additional cost, though its preparation has involved considerable expenditure. We trust it will be found interesting and useful to our readers in all the provinces and States. The future issues for the current year will follow our usual model, the main feature of which is specialised study of a selected topic as, we believe, it is generally liked by our clientele. We desire to acknowledge with grateful thanks that in the year that has just expired we received an encouraging measure of support and patronage both from the reading public and the contributors to our pages. We hope and trust that similar support and patronage will be forthcoming in a much larger measure in the current year.

The *Review*, we are glad to say, has served in the last seven years to create fresh interest in India's co-operative problems among international co-operators and to sustain among those who after long and distinguished service to the movement in this country are now enjoying their well earned rest in retirement in their homelands, their old interest in our movement. We publish below a few communications received by us from some of those sources.*

**Copy of the letter received from Mr. Harold H. Mann, Woburn Experimental station, Husborne Crawley, Bletchley, England, dated September 29, 1941.†*

"I am very thankful to you for sending me a copy of the last issue of the Indian Co-operative Review, namely, that for January-March 1941. I have been through it with care, and I think you are doing a splendid job of work in issuing this Review.

I think that all of us who were directly or indirectly connected with the foundation of the co-operative movement in India are a good deal worried by the present state of the movement in so many parts of India. The most characteristic word in this last number of your Review is 'rehabilitation,' and it seems worrying that in so many parts of the country a movement which should be popular has to be re-

†An earlier communication received from Mr. Harold H. Mann has been published in page 501 of the Indian Co-operative Review, Vol. VII.

habilitated. I wish I were back in India and could take an active part again in all that is going on in connection with the movement."

Copy of the letter received from Mr. C. F. Strickland, Worcester Cottage, Oxford, dated October 8, 1941:

"You have kindly been sending me the Indian Co-operative Review, and my interest in it remains as great as ever;.....I wish all prosperity to India and to the co-operative movement which will always be the foundation of her prosperity."

Copy of the letter received from the Director, Economic, Financial and Transit Department, Institute for Advanced Study (League of Nations), Princeton, N.J., (U.S.A.) October 28, 1941:

"I have to-day received the January-March 1941 issue of the Indian Co-operative Review which I acknowledge with thanks. This periodical is very useful for our work and I should be obliged to you if you would be kind enough to have future issues mailed to me when published."

ATTRIBUTES OF CO-OPERATION

"Co-operation touches no man's fortune ; seeks no plunder ; enters into no secret associations ; it contemplates no violence ; needs no trades union to protect its interests ; it subverts no order ; envies no dignity ; it accepts no gift ; nor asks any favour ; it keeps no terms with the idle and it will break no faith with the industrious. It is neither mendicant, servile nor offensive ; it has its hands in no man's pocket and does not mean that any other hands shall remain long or comfortable in its own ; it means self-help, self-dependence and such share of the common competence as labour shall earn or thought can win."

—HOLYOAKE,

CO-OPERATIVE MOVEMENT IN INDIA*

A GENERAL SURVEY

By

THE HON'BLE V. RAMADAS PANTULU

The purpose of this survey is not to trace the history and origin of the Co-operative Movement in India; nor do I propose to deal therein with the Indian co-operative problems, except incidentally as the context may require. All that is attempted here is to present in broad outline, the picture of the co-operative movement as a whole in India. In order to do so, I have drawn freely on the materials collated in the Year-Book and Directory of Indian Co-operation, 1942, the bulletins and statistical publications issued by the Agricultural Credit Department of the Reserve Bank of India, and the administration reports of the Registrars. I acknowledge my indebtedness to these sources of information.

A Retrospect.—The period that elapsed between the inauguration of the movement under Act X of 1904 and to-day can be divided for the purposes of showing the general course of development of the movement into three well defined stages. The period between 1904 and the publication of the MacLagan Committee Report in 1915 may be taken as the period of **initial effort and planning**. The recommendations made by that Committee had a far reaching effect on the future lines of the development of the movement. With co-operation becoming a transferred subject under the Government of India Act of 1919, further impetus was given for the development of the movement by the ministers in charge, and the period between 1915 and 1929 was marked by large expansion of the movement in almost all the provinces. This may be called the period of **unplanned expansion**. Then followed, from 1929-30, acute economic depression in India by catastrophic fall in the prices of agricultural products and of agricultural land. The movement received a set-back in almost all provinces and programmes for the rectification and consolidation as they are called in some provinces, or rehabilitation and reconstruction in other provinces have taken the place of expansion and development.† This may be called the period of **set-back and reorganisation**. The signs of recovery only began to make their

*Views expressed in the course of this survey are my personal views and do not commit the two All-India Associations.

†The following reports have been submitted or published:—

TRAVANCORE:—*Report of the Co-operative Enquiry Committee, Travancore, 1935* (Chairman, Mr. G. K. Devadhar),

appearance from 1935-36. But the set back received by the movement in certain provinces was so great that recovery of prices of agricultural products and agricultural land has not had any beneficial effect on the movement, as for instance in Bengal, Bihar, Orissa and Berar particularly. Nevertheless, I feel that the movement even in these provinces has still sufficient potentiality left in it to be capable of rehabilitation if we set about our task on right lines and sufficient encouragement is forthcoming from the provincial governments. Speaking for myself, I feel that even in areas where there has been the severest set-back the movement is merely put in the dry dock for repair and not thrown on the scrapheap as utterly unseaworthy. The progress of the movement from 1904 up-to-date as evidenced by the number of societies, number of members and the working capital can be seen from the following statement:—

	Number of Societies. (in thousands)	Number of members (in lakhs)	Working capital (in Rs. crores)
Average for 5 years			
From 1910-11 to 1914-15	12	5.5	5.48
From 1915-16 to 1919-20	28	11.3	15.18
From 1920-21 to 1924-25	58	21.5	36.36
From 1925-26 to 1929-30	94	36.9	74.89
From 1930-31 to 1934-35	1,06	43.2	94.61
During 1937-38	1,11	48.5	103.02
During 1938-39	1,22	53.7	106.47
During 1939-40	1,37	60.8	107.10

MYSORE:—*Report of the Committee on Co-operation in Mysore, 1935* (Chairman, Dewan Bahadur K. S. Chandrasekhara Iyer).

GWALIOR:—*Report on Co-operative Societies and Banks in Gwalior, 1937*, by Prof. V. G. Kale.

HYDERABAD:—*Report on Agricultural Indebtedness in H.E.H. the Nizam's Dominions, 1937*, by Mr. S. M. Bharucha.

BOMBAY:—*Report on the Reorganisation of Co-operative Movement in Bombay, 1937*, by Messrs. V. L. Mehta and M. D. Bhansali.

ORISSA:—*Report on the enquiry into conditions of the Co-operative Movement in Orissa, 1938*, by Diwan Bahadur K. Deivasikhamani Mudaliar.

SIND:—*Report of an enquiry into the Organisation and Working of the Sind Provincial Co-operative Bank, Karachi, 1935*, by Mr. V. L. Mehta.

BERAR:—*Report of the Berar Co-operative Enquiry Committee, 1939*, (Chairman, Mr. P. K. Gole).

BIHAR:—*Report of the Board of Experts for Co-operative Rehabilitation, 1939*, (Chairman, Hon'ble Mr. V. Ramadas Pantulu).

PUNJAB:—*Report on the Co-operative Movement in the Punjab, 1939*, by Mr. F. W. Wace.

MADRAS:—*Report of the Committee on Co-operation in Madras, 1940*, (Chairman, Sir T. Vijayaraghavacharya).

THE CO-OPERATIVE CREDIT MOVEMENT

Any survey of co-operation in India must begin and largely concern itself with the co-operative credit movement. This is evident from the fact that programmes of rehabilitation and reconstruction are naturally and rightly conned to the resuscitation of the co-operative credit machinery—the rural credit society and its secondary organisations, central and provincial banks. Nevertheless, I often hear the criticism that credit dominates co-operative movement in India. It is somewhat difficult to understand the implications of this criticism. No one overlooks the importance of non-credit activities organised on a co-operative basis. To my mind, the credit and non-credit activities are really inseparable. Apart from the fact that provision of capital and credit to the agriculturist, the artisan and the small trader is still the main desideratum of our rural and urban economy, it is impossible to believe that any non-credit activity can thrive without a co-operative credit organisation to back it. To quote one illustration of this fact, when Madras is going ahead with the organisation of handloom weavers' societies, milk supply societies and consumers' stores, they are sought to be affiliated to the central banks in order that they may derive the necessary finances from the latter. It is so with every other form of non-credit activity it one cares to analyse the position. Indeed, the Royal Commission on Agriculture constantly emphasised the fact that the problem of rural credit is really a part of the wider problem of rural economy. Co-operative credit to individuals severally, as well as to individuals organised on a co-operative basis into societies, is ultimately the main factor on which the success of the co-operative movement in all its aspects depends. The Royal Commission on Agriculture have pointed out that "the co-operative credit movement had done more to bring down the usurious rates of interest prevailing in the country more than legislative effort in that direction." The League of Nations, in their interesting brochure on 'Co-operative Action in Rural Life,' have also drawn attention to the fact that even in Europe "co-operative credit societies have done more than anti-usuary laws—which are too easily evaded, with the connivance of the borrowers themselves—to suppress the usurer, who, were it not for co-operation, would in many countries be the sole and therefore the indispensable supplier of the credit required." I, therefore, feel no hesitation in advocating that in any scheme for the reform of the co-operative movement, the importance of the co-operative credit society, with or without accessory functions, should occupy a predominant place.

Commercial vs. Co-operative Banks.—It is sometimes asked what is the difference between the co-operative banks and the joint stock banks and do not both of them serve the same purpose, namely, providing facilities for saving and investment of surplus wealth on the one hand and supply of credit on the other? True; but one difference between the two is that they are at present organised to serve the needs of different sections and interests of the community, and to

that extent they are complementary organisations. The co-operative banks now mainly serve the needs of the cultivating and the labouring classes while the joint stock banks serve the needs of industry and trade, though co-operative banks can also be so developed and organised as to serve the needs of trade and industry in due course. Viewed from this standpoint the real difference between the two kinds of banks seems to lie in the type of borrowers and the consequential variations in their methods of dealing with them. In a co-operative bank the borrowers have a predominant voice, if not the sole voice, in determining the terms and conditions on which they obtain credit. In other words, they borrow from institutions managed by themselves and do not feel the humiliation of those who approach an outside creditor for a loan. Apart from this ideological difference the fact remains that co-operative banks spread the services of the modern financial machinery to sections of the population which otherwise remain outside the scope of banking. It may not be out of place to point out here that our past experience shows that joint stock banks are not likely to change their present outlook in regard to financing of agriculture. These banks not only look upon the security offered by an agriculturist for a loan as unsound having regard to the fact that Indian agriculture is often a gamble in seasons, but are also reluctant to cut up their resources into numerous tiny loans to be recovered in instalments spread over fairly long periods. As matters stand at present in our banking system the joint stock banks are more concerned with supplementing the resources commanded by them in the large cities by draining the surplus wealth of smaller towns and even rural areas into the cash chests of their head offices to finance large business—trade, commerce and industry. The aim of the co-operative credit banking is just the opposite. It tries to collect the surplus wealth of urban India in order to distribute it through its financial distributary system in rural India "sending it in rills over a broad surface, so that the irrigation may be perfect and reaching every root to be watered."

Our Financial Structure.—The financial structure of the co-operative movement is, broadly speaking, federal in its conception. The rural credit society is the foundation stone of the credit structure. As Mr. Wolff graphically observes "it is the local society—the single brick at the bottom layer upon which the intended fabric has to rest—which makes for the safety of the organisation." In order to strengthen the primary credit societies operating in a specified area they are usually federated into central financing institutions known as central banks and banking unions. Higher up still the central banks in their turn are federated, in most British provinces and some Indian States, into their own apex organisations called provincial banks. There are, however, certain types of co-operative credit agencies which, in my opinion, do not at present exactly fit into this federal structure. The urban banks, though they have no separate central and provincial organisations of their own and occasionally derive a portion of their working capital from the central or provincial banks, have not yet come intimately into the co-operative credit structure as a whole. The

stronger of them are self-sufficient and command their own resources and the smaller ones actually compete for their working capital with the local central banks by offering higher rates of interest on deposits. They borrow and invest elsewhere if they *can* do so on more favourable terms than those offered by central banks and go to the central co-operative credit institutions only if they *must*. Similarly in the case of land mortgage banks though in some provinces they derive their working funds from the provincial co-operative banks they are credit institutions of a type by themselves. Where a provincial bank provides land mortgage credit, it does so through a separate and distinct long term credit section and does not mix up this sort of credit with the normal co-operative credit. Moreover, the tendency now is to set up separate provincial organisations for them. After all, land mortgage banks are only quasi co-operative and not fully co-operative. Co-operation is not a marked and decisive factor in them and the human element is much less pronounced, for the main security that is looked to is the agricultural land of the borrower and its income. But they have certain well-defined elements of co-operation in them.

There are critics who point to several flaws in our financial structure. But they forget the fact that we did not start with a plan to give a structural or functional perfection to the co-operative credit organisation, as we find it to-day, and that its growth in all the provinces did not follow the same course. In some cases it was built from cone downwards, and in others from base upwards, if there was any 'building' at all. The juridical and functional relations that now subsist between the primary societies, the central banks and the provincial banks in any province may not be such as to make them real integral parts of a closely knit organisation. The central banks have no control over the operations of the primary societies affiliated to them. The position of the provincial banks in relation to their member institutions is much the same. In spite of all these defects and weaknesses, I claim that our structure is on the whole federal, and we are approximating to that ideal more and more with the advance of time. The fact that the Reserve Bank of India has lately recognized co-operative central banks as branches of the provincial banks for purposes of remittance facilities shows that our credit units are being recognized as component parts of an integral financial machinery. The strengthening of our two All-India Co-operative Associations will help us to consolidate this position further.

CO-OPERATIVE FINANCE

A. Rural Credit Societies.—The proper role of the rural credit society in the scheme of co-operative finance has now been practically settled, after a prolonged controversy, in favour of the idea that it can safely and usefully provide only short and medium term credit. Loans for long term purposes such as discharge of prior debts are no longer advanced by these societies. In some provinces the caution is carried to the extent of advancing only crop loans, that is to say, loans for cultivation expenses through these societies cutting out all other varieties of credit.

The question of converting rural societies into multi-purpose societies with the addition of accessory functions is one which is engaging increasing attention. In the United Provinces, according to the latest administration report, about 1,000 rural societies have been transformed into what are called rural banks with limited liability. But the prevailing type is the unlimited liability society on the Raiffeisen model.

In the year 1939-40 there were in British India and Indian States, 1,18,744 agricultural societies of which 1,01,401 or 85 per cent were credit societies. Their total membership was 41 lakhs and their aggregate working capital Rs. 30.5 crores. The working capital consists, broadly speaking, of owned capital and borrowed capital. Owned capital consists of paid up share capital and reserve and other funds. The aggregate paid up capital of these societies was Rs. 4.08 crores and the reserve and other funds Rs. 8.27 crores. The owned funds thus represent 40 per cent of the working capital—share capital 13 per cent and reserve and other funds 27 per cent. There is, however, some weakness in the figures relating to the owned capital. In some provinces the reserve funds are allowed to be used by the societies in their own business as part of the working capital. Moreover, the reserve funds have been, in many cases created without adequate provision for bad and doubtful debts. As there is no periodical writing off of bad debts and utilising the reserve fund for so writing off, the reserve fund is, in fact, a reserve account which is being diminished by the accumulation of irrecoverable debts on the other side which represent losses, to meet which reserve funds are intended. No satisfactory attempt has been made in any province, so far as I know, to assess the real present worth of the so called reserve fund. In the data collected in connection with renamitment scheme some idea is being given of the real value of reserve funds. Again, the assets of the co-operative societies consist mainly of the loans outstanding against their members. In so far as heavy overdues have accumulated such assets have become frozen. In certain provinces, particularly in Bihar, Orissa, Bengal, Berar and certain parts of Central Provinces proper, the position is serious. It may be said that the credit co-operative movement there has nearly collapsed. The position is not so bad in other provinces but not quite sound anywhere. This can be seen from the audit classification of societies in the several provinces as well as number of societies under liquidation and amounts involved therein.*

There has been considerable reduction in fresh finance of the societies. It fell from Rs. 12.35 crores in 1928-29 to Rs. 6.7 crores in 1938-39. There has been a slight improvement in 1939-40 when it rose to Rs. 7.44 crores. The recent legislation intended to afford relief to agricultural debtors by setting up conciliation boards and enacting measures for regulating and controlling money lending have also had the effect of curtailing credit hitherto available to the members of the co-operative societies. But except perhaps in Madras, Bombay, the United Provinces and

* See statements on pp 115-116.

the Punjab the co-operative credit societies were not in a position to meet the additional demands on them for credit.

B. Central Banks.—In the year 1939-40 there were 594 co-operative central banks and banking unions in India—484 in British India and 110 in the Indian States. The Punjab has the largest number of central banks, 120; Bengal has 117; United Provinces have 70; Bihar and Orissa together have 68. The total number of banks in these five provinces is 375 out of 484 in British India. Central Provinces have 35, Assam 20, Bombay 11 and Madras 30. Their membership consisted of 1,04,000 societies and over 80,000 individuals. Their aggregate working capital was Rs. 29·21 crores of which the paid up share capital amounted to Rs. 2·65 crores and the reserve and other funds to Rs. 4·20 crores. The borrowed funds amounted to Rs. 22·36 crores or 77 per cent of the working capital. While central banks in the provinces of Madras, Bombay and Central Provinces and Berar operate over comparatively large areas—often a whole revenue district, those in Bengal, Bihar, Orissa and the Punjab operate over much smaller areas. What has been said about reserve funds of the primary societies applies to some extent to the reserve funds of the central banks and banking unions also. The loans outstanding in the year 1939-40 from their members that is, societies and individuals, amounted to Rs. 19·74 crores. Taking the figures for India as a whole it will thus appear that the central banks and banking unions lent out nearly 90 per cent of their borrowed funds as loans, to their members. The charge of over-trading brought against the co-operative financing banks by the Reserve Bank seems to be well founded, taking India as a whole. But in some provinces the position is not unsatisfactory and the standards laid down by the Reserve Bank more or less have been maintained, in regard to utilisation of the working capital.

C. Provincial Banks.—There are provincial co-operative banks in 8 provinces in British India—out of the 11 Governor's provinces, United provinces, North-West Frontier Province and Orissa have no provincial co-operative banks. In regard to the Indian States the apex co-operative banks in Mysore and Hyderabad alone are recognised as provincial co-operative banks for purposes of statistical information hitherto published by the Government of India and now by the Reserve Bank of India. The total working capital of these provincial banks in India amounted to Rs. 13·14 crores at the end of 1939-40. The position in regard to the provincial banks in India can be seen from the following statement :—

THE INDIAN CO-OPERATIVE REVIEW (JAN.-MAR., 1942)

(Figures in lakhs of rupees)

Provincial Bank	Owned Capital	Borrowed Capital		Total Working Capital	Percentage of owned capital to working capital
		Deposits from Co-op. Societies	Other deposits, loans, etc.		
Bengal ..	54.77	61.72	169.88	286.37	19.12
Madras ..	33.90	83.01	135.54	252.45	13.42
Bombay ..	33.42	94.46	109.49	237.37	14.09
The Punjab ..	28.44	71.00	50.06	149.50	19.00
C.P. & Berar ..	19.75	10.02	106.99	136.76	13.45
Bihar & Orissa ..	14.21	9.34	66.11	89.66	15.84
Sind ..	19.34	20.14	45.74	85.22*	22.69
Assam ..	1.59	—	1.82	3.41	46.62
Hyderabad ..	14.64	1.21	26.04	41.89	34.95
Mysore ..	4.96	5.19	20.27	30.42	16.29

*This has increased to over a Crore of rupees by 30-6-1941.

The position in regard to the reserve funds in provincial banks necessarily depends upon the solvency of their affiliated central banks whose solvency in its turn depends upon that of their affiliated primary societies. So in provinces where the co-operative credit movement is in a state of collapse, the financial position of the provincial banks has also been affected. The total loans outstanding against their members was round about Rs. 7 crores at the end of 1939-40. In some provinces, particularly in Bengal and Bihar, the percentage locked up in their loans was much higher—over 80 per cent in Bengal and 96 per cent in Bihar. I dealt with the origin, progress and the present financial position of the provincial banks in British India in an article contributed by me to the second quarter's issue of the *Indian Co-operative Review*, 1941, which gives detailed information regarding their operations in the several provinces. There are, what may be also technically called, provincial co-operative banks for supply of long term land mortgage credit in certain provinces and States, as for instance, in Madras, Bombay, Orissa and Mysore.

D. Land Mortgage Banks.—There are no consolidated figures to show the operations of these banks in India as a whole. There are central or provincial land mortgage banks in Madras and Bombay in British India, and they finance primary land mortgage banks which are affiliated to them. Among the Indian States, Mysore, Baroda and Cochin have made some progress in regard to land mortgage banking. In the province of Orissa there is a provincial land mortgage bank registered, but it finances individuals directly through its branches as there are no primary land mortgage banks. Land mortgage banks in the Punjab, which was the first province to start them, have practically ceased to work and they are in a process of gradual liquidation. In the provinces of Bengal, the United Provinces and Assam and Ajmer Merwara also there are some

land mortgage banks. Those in Bengal derive their funds from the Bengal Provincial Co-operative Bank and the others from deposits from public and by loans from central banks and societies. In the Central Provinces land mortgage banks have made some progress and the Provincial Co-operative Bank of Central Provinces and Berar finances the land mortgage banks. It issues debentures and operates through a separate long term credit section. It has been said that the operations of the debt conciliation boards had an adverse effect on the working of these banks in the province.

Some important problems connected with land mortgage banks are still outstanding. The most important of them is the question of Government guarantee for debentures. In Madras, two possible limits are suggested; one is a limit of Rs. 5 crores which will be reached soon, in about 2 years; the other is the period required for the Central Land Mortgage Bank to build up paid-up share capital and reserves at least to the extent of 1/10th of its working capital. This is expected to be reached in about 8 years time from now. With a view to hasten the period, the rate of interest charged to ultimate borrowers is now raised to 6½ per cent and the dividend on shares is limited to 1 per cent above the interest paid on debentures. Another important question is the grant of 2nd loans for land improvement and other necessary purposes, for it would be inadvisable to let those who have already borrowed from the Land Mortgage Bank go to an outside creditor for such purposes. A third question is how to correlate the activity of the rural credit societies and the primary Land Mortgage Bank. The 13th Registrars' Conference held in 1939, recommended that the rural credit society should have a priority in respect of the first charge on the crop for its loan and to that extent the first charge of the land mortgage bank on the crop should be postponed.

The following tables show the operations of provincial and primary land mortgage banks in the provinces and States where they have made some progress :—

*Operations of Provincial or Central Land Mortgage Banks
in India, 1939-40*

Name of Province or State	No of members	Paid-up Share Capital	Reserve and other Funds	Debentures in Circula- tion		Loans o' standing	Net
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras*	574	9,35,100	5,50,426	2,43,26,300	14,92,533	2,41,48,955	2,41,409
Bombay	704	4,46,300	12,848	25,86,000	17,758	23,88,608	18,001
Orissa	221	55,564	nil	nil	nil	53,568	2,158
Mysore	207	1,09,900	31,780	10,91,700	nil	11,32,879	19,327
Cochin*	2,425	81,650	37,758	15,00,000	71,505	17,54,557	12,259

*These figures relate to the year 1940-41.

Operations of Primary Land Mortgage Banks in India, 1939-40

Province or State	No. of Banks	No. of members	Paid-up share capital	Reserve and other Funds	Loans and Deposits held at the end of the year.	Loans outstanding at the end of the year.	Loans outstanding	Loans outstanding
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras	119	55,575	15,36,737	2,32,182	2,21,23,954	42,56,750	2,22,08,678	1,02,820
Bombay	17	9,089	2,99,576	12,848	25,88,533	5,90,442	27,01,500	3,877
C.P. & Berar	21	5,874	1,16,999	*	12,57,796	2,62,122	13,03,394	4,934
U.P.	5	701	28,996	6,406	1,54,257	49,842	1,86,374	*
Bengal	5	2,482	47,499	5,002	5,12,713	1,23,270	6,02,064	5,941
Assam	5	1,818	88,359	84,591	2,64,577	2,250	2,60,752	*
Baroda	2	2,126	1,51,175	23,800	5,38,000	1,29,050	5,89,491	20,230
Mysore	42	5,861	1,25,270	12,573	10,74,867	2,17,303	10,75,471	6,656

*Figures are not available.

E. Urban Credit Societies.—These fall broadly speaking under two heads—urban banks and salary or wage earners' societies. While consolidated figures are given for non-agricultural credit societies operating in British India and Indian States, separate consolidated figures for urban societies and banks, which are comprised in non-agricultural credit societies, are not available. There were 16,747 non-agricultural societies at the end of the year 1939-40 with a working capital of Rs. 27·7 crores. From the figures already given in respect of agricultural societies whose number is 1,18,744 with a working capital of Rs. 30·51 crores at the end of 1939-40, it will be seen that the non-agricultural societies, though they cater to a much smaller proportion of the population and their number is only about 1/7th of the agricultural societies, the magnitude of their financial operations is almost equal to that of agricultural societies. Apart from this quantitative test the urban societies can be said to be also financially sounder because the percentage of their outstanding loans locked up in overdue amounts is much smaller than that of the agricultural societies. Urban banks have shown greater development in Bombay and Madras where almost all important towns are served by such banks. Another feature of these banks which is noteworthy is that the urban banks work mostly on their owned capital and deposits attracted by themselves from members and non-members. Their borrowings from the financing banks, that is to say, central banks, banking unions or provincial banks constitute a minor proportion of their working funds while such borrowings constitute a major proportion of the funds of the agricultural societies. From the statistics published by the Reserve Bank of India for the year 1939-40 in regard to co-operative banks, it will be seen that the number of big urban banks is

very small; the number of those with a capital of between Rs. 1 lakh and Rs. 5 lakhs is 19 and of those with a capital of Rs. 5 lakhs and over is 5.

NON-CREDIT CO-OPERATION

Important types of non-credit co-operative institutions may be classified under three main heads: 1. Consumers' Stores, 2. Sale Societies, and 3. Special Types of Societies.

CONSUMERS' STORES

There are consumers' stores in most of the provinces and States. But nowhere have they made any marked progress on anything like the scale of development attained in western countries. Even in Madras where the store movement is believed to have made comparatively greater progress, the Madras Committee on Co-operation, 1939-40 recorded their finding in the following words: "the history of consumers' or distributive co-operation in this province, with the single exception of the Triplicane Stores has not been a record of success." In a general survey of the consumers' movement in India as a whole, the provinces of Madras and Bombay in British India and Mysore and Cochin in Indian States may be specially mentioned. In Madras there has been a rapid expansion of the store movement recently. Their number increased from 85 to 237 during the year 1939-40. There was an addition of over 100 to them in the co-operative year ended with 30th June 1941 bringing up the number to about 400. Their transactions increased by 50 per cent in the year 1939-40: that is to say from Rs. 23·7 lakhs to Rs. 35·6 lakhs, and there was an increase of nearly Rs. 25 lakhs in the sales in the co-operative year 1939-40. This means, in the two years there was a quadrupling of societies and trebling of sales since 1938-39. Some attempts have also been made to start special societies for the benefit of the working classes, who are affected most by increased cost of living due to rise in prices. Fifteen special stores were organised for textile and other mill workers in the three industrial districts of Coimbatore, Madura and Tinnevely. Inquiries made in Madura show that the workers in the Madura mills have gained 18 per cent by the purchase of food stuffs from their stores. In some areas, particularly in Madura district, stores have been federated into a wholesale society for the purchase of their requirements in bulk. The Madura Ramnad Co-operative Wholesale Society is said to have had transactions to the tune of Rs. 4 lakhs in the first year. Similar wholesale societies seem to have been organised in Tinnevelly and Coimbatore districts also.

Sufficient time has not elapsed to assess correctly the future prospects of these stores. An experienced and well-informed retired officer of the department recently wrote to the press doubting the chances of success of these wholesale societies and even questioning the need for them in centres where trade in commodities intended to be stocked by the wholesale societies has already been well developed, particularly in view of the fact that wholesale and retail merchants worked on very slender margins, making it difficult for a co-operative store to

compete with them. I feel that the expansion has been too hasty to be sound and well planned, and that the artificial stimulus given to it by the conditions brought about by the war resulting in pushing up of prices and by the departmental drive may not survive the transient conditions which now exist. In any case, the uneconomic and the undercapitalised new stores, of which I understand there are several, will have to be weeded out soon and I am reliably informed that the process of liquidating some of them has already commenced. The Triplicane Stores is of course still the outstanding example of the successful stores in Madras. At present, that is to say in December 1941, there are 31 branches and two part time depots attached to hostels of two medical colleges. It has a membership of 6,724 and the monthly sales are round about a lakh of rupees. It has built up a reserve fund of Rs. 1,08,250 and a common good fund of Rs. 37,587. It is proposed to open 25 more branches in new areas with government financial aid to meet exigencies created by the War.

Bombay had 30 consumers' stores at the end of 1939-40 with sales amounting to Rs. 6 lakhs during the year. The most recent and in interesting experiment in consumers' co-operation made in Bombay was the organisation of the Medical Practitioners Co-operative Consumers' Society of Bombay with a membership of 250 medical practitioners. The society arranges for the purchase of medicines and drugs at reasonable rates to registered medical practitioners.

In Mysore at the end of the year 1939-40 there were 22 stores with a membership of 17,000 and a working capital of Rs. 22 lakhs. They purchased goods to the extent of Rs. 15.2 lakhs and sold goods worth Rs. 16.3 lakhs in the year. Most of the stores in the State are situated in the cities of Mysore and Bangalore.

In Cochin there were 17 consumers' societies with a membership of 1,294 and their transactions (purchases and sales) amounted to Rs. 9.3 lakhs in the year 1939-40.

Generally speaking in Madras and Bombay the stores work on cash sale basis. The stores in Mysore allow credit. Some fundamental questions like sales at less than market rates, sales to non-members and sales on credit, which are supposed to be in conflict with the orthodox principles of the Rochdale pioneers, are not yet finally settled. The store movement in India is largely confined to middle classes unlike that in western countries which is essentially a working class movement.

A number of students' stores have been organised in most of the Indian provinces and States. Some of these stores, besides securing economy in the purchase of students' requisites, train students in business methods and also manage their affairs co-operatively. In Madras a provincial co-operative stationery stores has been registered and is working.

SALE SOCIETIES

The problem of organisation of the sale of the agriculturists' products is really a part of the large-drawn problem of co-operative marketing. By advice, demonstration and improvement in the quality of the seed and education in the proper use of suitable manures, the Agricul-

tural Departments have tried to help the ryot to produce more and better quality of products. The co-operative organisations tried to help him with the sinews of war against lack of capital and credit, by providing him with regulated productive credit. But neither of these two agencies sufficiently interested itself in helping the agriculturist to realise a better price for his products. The development of co-operative marketing was comparatively a more recent phase of the co-operative movement. The ultimate aim of production and sale, purchase and sale and loan and sale societies is to bring about a change in the present methods of unorganised individual marketing of crops by the agriculturists. The grant made by the Government of India for rural uplift was partly used by provincial governments for making subventions to sale societies and rural credit societies to construct godowns for the storage of produce. Loans advanced from the Government of India subsidy are made repayable in 20 to 30 years and 25 per cent of the estimated cost of building of the godowns is given as a free grant in Madras. Recently the subsidy was raised in some cases to 50 per cent. The question of continuance of this form of financial assistance, after the Government of India grant is exhausted, is a serious one and the Madras Committee on Co-operation, 1939-40 recommended that loans for the construction of godowns and free grants up to 25 per cent of their cost should be continued by the provincial government. Similar grants are now made by other provincial and State governments also. The loan and sale society is the most common type in Madras. It advances loans against produce in order to help the agriculturist to hold up his produce for a favourable market. He utilises the loan for the payment of Government revenue and meeting domestic necessities and other urgent purposes pending the sale of his produce. These societies are being encouraged to develop marketing of the produce pledged with them and transform themselves into real sale societies.

The most important type of sale societies in Bombay is the cotton sale society. Societies for the marketing of sugarcane are the most noteworthy type of such societies in the United Provinces to help the growers both in production of better varieties of cane and in obtaining better price for their cane. There are also societies for production and marketing of such products as potatoes, cereals and fruits in the United Provinces. Cane-growers' societies are also organised and developed in Bihar which like the United Provinces is a sugar producing province.* Societies for the sale of paddy, sugar-cane and fish are the type that are being developed in Bengal. Efforts are being made to organise co-operative marketing in the Punjab, Central Provinces and Berar. Among the Indian States similar efforts are being made in Hyderabad, Mysore, Travancore, Cochin and Baroda.

SPECIAL TYPES OF SOCIETIES

There are several types of societies in British India and Indian States which come under this head, and it is obviously beyond the scope of a

*Detailed accounts of the working of cane-growers' societies in the United Provinces and Bihar are published in the October-December issue of the *Indian Co-operative Review*, 1941.

brief general survey like this to attempt to deal with them all. Special mention may, however, be made of the following types of societies: (1) consolidation of holding societies, (2) handloom weavers' societies, (3) milk supply societies and unions, (4) insurance societies, (5) house building societies and (6) better living and better farming societies. The Punjab leads in the matter of consolidation societies and Madras in handloom weavers' societies.

Consolidation of Holding Societies.—In the Punjab the movement for the co-operative consolidation of holdings began in the year 1920-21 and by the end of the year 1940 there were 1,506 societies. The total extent of land holdings consolidated up to the end of that year was round about 13 lakhs of acres. During that year 1.44 lakhs of acres were consolidated. The Government have provided special trained staff of inspectors to carry on propaganda in order to persuade holders of fragmented pieces to consolidate. In the Central Provinces and Berar also there has been a fair amount of consolidation work, but it is not through co-operative societies. The work is carried on there by a special staff of the Government under a special Act which provides for a measure of compulsion. The only other province which requires mention is the United Provinces. There too certain amount of consolidation work is done through co-operative agency. In Madras, recently efforts have been set on foot to start a few consolidation societies but the progress made so far is negligible.

Handloom Weavers' Societies.—A real impetus to the development of handloom weaving industry has been given since 1935 when the Government of India made grants to the provinces, to be spread over 5 years, for subsidising the industry in order to arrest its deterioration. Considerable progress in organising weavers' societies has been made in Madras. Handloom weaving industry furnishes wholtime occupation for a large number of artisans as well as part time subsidiary occupation for the families of agriculturists. It is estimated that there are at least a quarter of a million handlooms in the province of Madras providing occupation for about a million people. The Madras Handloom Weavers' Provincial Co-operative Society was started in the year 1935, and 181 weavers' societies were members of the provincial society at the end of the year 1940-41. There were 6,000 looms at work in the societies and the number of weaver-members was 12,840. The provincial society, besides subsidising the affiliated societies to meet the cost of management in the initial stages, arranges for supplies of yarn and makes advances against finished goods. It provides technical advice to societies in improving the patterns and in marketing of goods. It maintains a calendering and finishing plant. The value of the finished products sold by the weavers' societies in Madras exceeded Rs. 12 lakhs in the year 1940-41.

In Bombay at the end of the year 1939-40 there were 39 weavers' societies. Eight industrial unions were organised for improving and marketing of handloom products with the aid of the Government of

India subsidy. In some provinces the weavers' societies are classified as industrial societies for which alone figures are available.

The position of handloom weavers' societies all over India has now become precarious in spite of the attempts to help them by reason of the enormous rise in the prices of yarn. Unless the Government of India finds a solution to this problem, the industry may be threatened with extinction very soon.

Milk Supply Societies.—The provinces of Bengal, United Provinces and Madras deserve special mention in regard to co-operative milk supply unions and societies. Societies which are organised in centres where milk is produced are generally affiliated to a milk supply union situated in the urban area in which the distribution and sale of milk takes place. The Calcutta Milk Supply Union is not only a pioneer in this line in India but one of the largest. In the year 1939-40 it had 126 societies affiliated to it and sold during the year milk and milk products worth Rs. 3.10 lakhs.

In Madras in 1939-40 there were 88 milk societies and 15 unions. The Madras Co-operative Milk Supply Union had 14 societies affiliated to it. In the city of Madras it had 44 depots for the sale of milk and in the year 1939-40 it sold milk and milk products worth Rs. 2.83 lakhs. The value of the milk sold by milk societies directly was Rs. 3.89 lakhs and that by milk supply unions was Rs. 4.73 lakhs. In the United Provinces, the Lucknow Milk Supply Union is the most important. Thirteen milk supply societies are affiliated to it. The Union in the year 1939-40 is said to have handled milk which amounted to 11,450 maunds of which 1,835 maunds were turned into butter and ghee. The sales, it is said, fetched Rs. 55,202 during the year. In the year 1940-41 it handled 11,468 maunds of milk besides manufacturing and selling 87 maunds of butter. There were also 7 societies in Allahabad and one each at Benares and Unao.

Insurance Societies.—Co-operative Life Insurance Societies have made tangible progress in the provinces of Bombay and Madras in British India and Hyderabad among the Indian States. The Bombay society was started in 1930. The society secured in the calendar year 1940 new business of Rs. 37,58,600 and its business in force at the end of that year was Rs. 1,03,99,138. The Society built up Life Fund amounting to Rs. 8,89,552 by 31st December, 1940. The South India Co-operative Insurance Society of Madras was registered in 1932, and in the calendar year 1940 it secured new business of Rs. 17.5 lakhs. The total business of the Society in force on 31-12-1940 was Rs. 72 lakhs and the Life Fund on that date amounted to Rs. 7,46,421. The Bengal Co-operative Insurance Society which was started originally as a provident society, and subsequently converted into a regular life insurance society, has not made similar progress. It wrote on its books new business to the tune of about Rs. 4.75 lakhs in the year 1938-39; but the new business in 1939-40 dropped to Rs. 11,000. The Co-operative Insurance Society of Hyderabad (Deccan), during the

year 1939-40, issued policies amounting to Rs. 15·8 lakhs and the total business in force at the end of that year was Rs. 38·2 lakhs. The Baroda Insurance Society accepted during the year proposals for new policies to the extent of Rs. 1 lakh. In Indore State also there is a co-operative life insurance society. The total amount of insurance effected was Rs. 2,72,000. It is said that the working of the society is stagnant and that it is now linked up with the Bombay Co-operative Insurance Society for resuscitation.

In Madras recently a Co-operative Fire and General Insurance Society embracing branches of insurance other than life, such as fire, motor, accident, fidelity guarantee, etc., has been registered and has just commenced operations. The Madras Provincial Co-operative Bank, some of the central banks and loan and sale societies which are interested in advancing loans against produce are expected to utilise the services of the society to cover their risks.

House Building Societies.—These societies have made some progress worth mentioning in Bombay and Madras. In Bombay there were 99 societies at the end of the year 1939-40, with a membership of 6,787 and a working capital of Rs. 120 lakhs. The bulk of these societies, i.e., 55 were in Ahmedabad. While in Madras the Government is the principal financing agency of the housing societies, in Bombay substantial portions of the working capital are derived from co-operative banks and commercial insurance companies. In Madras at the end of the year 1939-40 there were 122 housing societies with a membership of 4,647. The loans from Government outstanding at the end of that year amounted to Rs. 21·61 lakhs.

Better Living and Better Farming Societies.—These types have been developed in the Punjab and in the United Provinces. They are really efforts in the direction of rural reconstruction. In the Punjab which was the first province to develop better living societies, attention was mainly concentrated on reduction of expenditure on marriages and other ceremonies. The better living societies in the United Provinces are under the supervision of the Rural Development Department which received considerable encouragement and impetus during the regime of the Congress Ministry. Bengal also seems to be developing these societies. The cane growers' societies in the United Provinces and Bihar are illustrations of better farming societies. The agricultural improvement or agricultural demonstration societies in Madras interest themselves in the distribution of improved varieties of seed and manures among their members. They derive benefit by the advice of the Agricultural Department.

SUPERVISION, EDUCATION AND AUDIT

Supervision, education and audit are subjects which, in my opinion, do not lend themselves to an All-India treatment in the course of this article. Each province has its own arrangements and

a general account of it without provincial details will be both inaccurate and misleading.

Supervision, generally speaking, is in the hands of the non-official agencies except in a few areas and in the case of very special types of societies. Every where there is a demand for improving the system of supervision, for the proper working of the societies largely depends upon the efficiency of supervision.

Co-operative education and training of the departmental staff, employees of co-operative organisations and panchayatdars and members of primary societies is, generally speaking, in the hands of Departments of Co-operation, though the services of non-official organisations are utilised in some cases and for certain purposes. The Punjab leads in the matter of co-operative education and training. The scheme for the establishment of a full-fledged college of co-operation which was recommended by the All-India Co-operative Institutes' Association has not yet been realised in any province and its advantages and disadvantages are still matters of discussion.

Audit is the statutory duty of the Registrar and whatever may be the agency employed in auditing societies, the audit certificates are issued by the Departments of Co-operation. The only noteworthy exception is the Punjab where the Registrar has authorised the staff of the Punjab Co-operative Union to do the work of audit. The Provincial Union is authorised to levy contribution from societies to cover the cost of the audit. Practically in all other provinces audit is conducted by the auditors who are employees of the Co-operative Department though in the cases of larger societies, that is, the Provincial Banks and big central and urban banks, audit is permitted to be done by certified auditors or registered accountants who are not employees of the Department. Audit fees are levied from the societies which are audited. In Madras, however, all rural credit societies and limited liability credit societies with a working capital of less than Rs. 20,000 are exempt from audit fees.

There is a growing co-operative opinion on the need to completely dissociate the function of audit from the Co-operative Department which is responsible for administrative control over the co-operative societies. The Madras Committee on Co-operation, 1939-40 recommended that "the entire audit staff of the department should be constituted into a distinct branch: that there should be a differentiation right through between the administrative branch and the audit branch of the Department except in the person of the Registrar who will be the head of both the branches." But it has fallen short of the requirements in the view of many who think that the Registrar should not be the head of the audit department. There is much to be said in favour of this reform.

LEGISLATION

It is well known that after a great deal of preliminary investigation the co-operative movement was introduced into India by Act X of

1904 which was modelled largely on the English Friendly Societies' Act and restricted to primary credit societies. Statutory provision for organisation of other types of co-operative institutions was made by the later Act II of 1912 which replaced Act X of 1904. After the introduction of the diarchical form of Government in the provinces under the Government of India Act, 1919, the provinces were given the option either to be governed by the Act II of 1912 or to pass their own Acts. A few provinces have availed themselves of this option to enact provincial legislations. Bombay was the earliest with its Act VII of 1925; next came Madras with its Act VI of 1932; then followed Bihar and Orissa with the Act VI of 1935; then came Coorg with its Act II of 1936 and the last was Bengal with its Act XXI of 1940. The Co-operative Societies Act II of 1912 is still in force in the rest of the provinces. The tendency of this provincial legislation has been on the whole to strengthen official control over the movement. Moreover, extensive use is made of rule-making power under these Acts to further strengthen the official control by what may be called executive legislation without the control of the legislature. There is need for not only strictly limiting this power but also for providing for rules made under these Acts being placed on the table of the Provincial Legislature with opportunities to the Legislature to veto or modify the same. The Indian States have got their own Acts which are largely modelled on the Co-operative Societies' Act, II of 1912 and later on amended on the model of the Acts in force in the neighbouring British provinces; for instance, the Acts of Mysore, Travancore and Cochin are modelled on the lines of the Madras Act.

I always felt that the Co-operative Societies' Acts in force in British India and Indian States were framed with the Registrar as centre of the picture and not the society. They should be redrafted, if the movement is to make any real advance as a popular movement, on an entirely different basis. The society has to be made the centre of the picture. The Registrar's powers should be closely defined so as to preserve the essentially democratic and popular character of the movement. As matters stand at present, the *responsibility* for the management of the co-operative institutions and the conduct of the movement is on non-official shoulders. The power of control and direction is, however, in official hands. As has been observed in regard to several spheres of administration, it is our common experience that in any department of administration, power without responsibility has a way of growing till the line of demarcation between use and abuse becomes almost obliterated. This state of things must be ended in respect of the co-operative movement and the sooner it is done the better. If the provincial governments are really anxious to allow the co-operative movement to play its proper role in the economic organisation of the rural and urban classes, they have a special responsibility in regard to the reform of the legislative and administrative machinery which now imposes heavy shackles on the movement.

The advocacy for more and more spoon feeding and larger and larger doses of official control is based on the plea that the members

of our societies are lacking in character and capacity to manage their own affairs. I repudiate this charge as utterly baseless without at the same time, attempting to minimise the failings or hesitating to own up the faults of non-official co-operators. No Registrar can play the role of a philosopher, friend and guide of the movement without having faith in human nature and a belief in the character of the average co-operator and his capacity to manage the affairs of his society. So, much depends upon the proper choice of the Registrars also to administer the Acts.

FUTURE OF THE CO-OPERATIVE MOVEMENT

A correct evaluation of the achievements of the co-operative movement in India is not an easy task. As Sir Frederick Nicholson remarked, "to replace the money-lender by the bank is not to replace indebtedness by solvency. The specific gravity of the debt may be reduced but the mass more than proportionately increased." It is gratifying to note that it is generally recognized now that the co-operative movement cannot make much headway unless our agriculture which is now a deficit economy is transformed into a surplus economy by lightening the crushing burden of land revenue on the peasant and by the pursuit of an enlightened agrarian policy in general by the State. The Reserve Bank of India, in its latest bulletin, rightly observed that the question of agricultural finance is bound up with that of improvement of agriculture so as to render it a more profitable, a less precarious calling and that the co-operative credit movement can flourish only when agriculture prospers. But like some other critics the Agricultural Credit Department of the Reserve Bank of India has characterised the Indian agriculturist as "thriftless, improvident and unprogressive" and argued that the co-operative movement cannot thrive in the midst of such a community. It may be conceded that as in every other community there are some thriftless and improvident in the agricultural community also. Moreover, it is difficult to deny that the troubles of the co-operative movement are not at least partially due to the perversity of man—violation of the moral precepts of co-operation and non-observance of the essential rules of the business code. Nevertheless, I feel that in the main this characterisation of the Indian agricultural community as "thriftless, improvident and unprogressive" is not just and true. I have often tried in the past to establish by reference to relevant facts and figures that the average Indian agriculturist is on the whole an honest and diligent tiller of the soil, whose diet is sparse, whose wants are few and whose standard of living is perhaps the lowest in the civilized world. He lives on the very margin of subsistence. Very often he borrows not because he *can* but because he *must*. His chronic indebtedness is the *result* of his poverty. Without removing the factors which contribute to his chronic poverty, indebtedness cannot be liquidated. The increasing dependence of the population on agriculture, the decline of rural industries which once furnished subsidiary occupations, the oppressive burden of land taxation, the uneconomic system

of land tenure, dependence on overseas markets for sale of raw materials and other indisputable economic factors have contributed largely to the ever growing economic debility of the agriculturist and his proverbial poverty. The aim, therefore, of the co-operative movement must be to improve the economic condition of the masses and to increase their income and purchasing power. Unless there is a genuine sense of identity of political and economic interests between the people and the State, the socio-economic organisation of the masses involving promotion of swadeshi, development of village industries and creation of a sense of corporate life and rural leadership, without which no programme of real recovery will be fruitful, cannot be accomplished. When the conditions for such joint effort of the people and the Government at national reconstruction are forthcoming, the question of finance, the creation of rural bias in our workers and allied problems will find an easy solution.

By the union of forces material advancement is secured and by united action self-reliance is fostered; and it is from the interaction of those influences that it is hoped to attain the effective realisation of the higher and the more prosperous standard of life, which has been characterised as better business, better farming and better living.

—Maclagan Committee.

THE RESERVE BANK OF INDIA AND CO-OPERATIVE BANKING

By

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The Indian Central Banking Inquiry Committee examined the provisions of the Reserve Bank of India Bill, 1928, and made various recommendations, some of which took into cognizance the proposals that had been made on behalf of the co-operative movement for closer association with the central banking authority of the country. Some of these recommendations are contained in Chapter XXII of the Majority Report, while others are dealt with in Chapter LX on 'rural finance' (Co-operative Organization) (Paragraph 191). Some of these recommendations were given effect to by Government and the Central Legislature and find place in the Reserve Bank of India Act, 1933.

The main provisions of the Reserve Bank of India Act which concern co-operative societies and banks are as under:—

(1) Under section 2 (c), provincial co-operative banks are defined as under :

"Provincial Co-operative Bank" means the principal society in a province which is registered or deemed to be registered under the Co-operative Societies Act, 1912, or any other law for the time being in force in British India relating to co-operative societies and the primary object of which is the financing of the other societies in the province which are or are deemed to be so registered; provided that in addition to such principal society in a province or where there is no such principal society in a province the Local Government may declare any central co-operative society in that province to be a provincial co-operative bank within the meaning of the definition";

(2) In the proviso to section 9 (1) (b), in dealing with the constitution of Local Boards of the Bank, it is prescribed that out of the 3 members to be nominated by the Central Board from among the shareholders registered in the register for an area, "the Central Board shall in exercising this power of nomination aim at securing the representation of territorial or economic interests not already represented, and in particular the representation of agricultural interests and the interests of co-operative banks";

(3) Under section 10, which prescribes the disqualifications of directors and members of Local Boards, it is laid down that while other officers and employees of all banks, excluding co-operative banks, are

disqualified, an exception is made in the case of directors of co-operative banks only;

(4) In defining the class of business which the Bank may transact, provision is made for the grant of financial accommodation to co-operative banks under the following sub-sections of section 17:—

2. (b) The purchase, sale and rediscount of bills of exchange and promissory notes, drawn and payable in India and bearing two or more good signatures, one of which shall be that of a scheduled bank, or a provincial co-operative bank, and drawn or issued for the purpose of financing seasonal agricultural operations or the marketing of crops, and maturing within nine months from the date of such purchase or rediscount exclusive of days of grace;
4. The making to States in India, local authorities, scheduled banks and provincial co-operative banks of loans and advances, repayable on demand or on the expiry of fixed periods not exceeding 90 days, against the security of:
 - (a) Stocks, funds and securities (other than immovable property) in which a trustee is authorized to invest trust money by any act of Parliament or by any law for the time being in force in British India,
 - (b) Gold or silver or documents of title to the same;
 - (c) Such bills of exchange and promissory notes as are eligible for purchase or rediscount by the bank;
 - (d) Promissory notes of any scheduled bank, or a provincial co-operative bank, supported by documents of title to goods which have been transferred, assigned, or pledged to any such bank as security for a cash credit or overdraft granted for *bona fide* commercial or trade transactions, or for the purpose of financing seasonal agricultural operations or the marketing of crops;

(5) Under Section 44, provision is made as under for requiring returns from co-operative banks which obtain accommodation from the Reserve Bank of India in accordance with section 17 and subjecting them to the penal provisions of sections 42 (4) and (5):

“The bank may require any provincial co-operative bank with which it has any transactions under section 17 to furnish the return referred to in sub-section (2) of section 42, and if it does so, the provisions of sub-sections (4) and (5) of section 42 shall apply so far as may be to such co-operative banks as it were a scheduled bank;

(6) In view of the dissatisfaction that was expressed with regard to the provisions made in the Act for dealing with various aspects of agricultural credit, a special section (54) was added, providing for the creation of an Agricultural Credit Department, and another (55) (1) for the submission to the Governor-General-in-Council of a report, within three years from the date of coming into force of that chapter of the Act, on the extension and improvement of the machinery for agricultural credit;

(7) There is no provision for the representation of co-operative interests on the Central Board of the Reserve Bank. The following recom-

mendation, however, was made in that behalf by the Joint Select Committee of the Central Legislature:—

“We considered whether any addition should be made to this sub-clause in the form of a direction to the Governor-General-in-Council as to the manner in which he should exercise his power of nomination; we have been assured that it is intended that this power shall be used to ensure that territorial or economic interests which have not secured adequate representation in the elections shall have such inadequacy corrected by this means. We do not consider it appropriate to embody in the statute any specific provision for the fulfilment of this intention, but we consider that in the instrument of instructions to the Governor-General a passage should be inserted making it clear that this power should be exercised in the general manner indicated above and in particular to secure adequate representation of the interests of agriculture and co-operative banking if these interests had not secured such representation among the elected directors.”

The Agricultural Credit Department of the Bank was created in April 1935, simultaneously with its Issue and Banking Departments. Its statutory functions are:

- (i) To maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Central Government, Provincial Governments, the Government of Burma, provincial co-operative banks, Burma co-operative banks, and other banking organizations;
- (ii) To co-ordinate the operations of the Bank in connection with agricultural credit and its relations with provincial co-operative banks and any other banks or organizations engaged in the business of agricultural credit.

As mentioned above, the Bank was required to submit a report to Central Government before 31st December 1937 on the improvement of the machinery for dealing with agricultural finance and on the methods to be adopted for effecting a closer co-operation between agricultural enterprises and the operations of the Bank. A Preliminary Report on Agricultural Credit was published in December 1936, and the Statutory Report was submitted to the Government of India a year later, that is, in December 1937. The following are the main recommendations and suggestions put forward in the Preliminary Report regarding the reorganization of the co-operative movement:—

(i) Where indebtedness has grown beyond any reasonable capacity of the debtor to pay, the debt must be reduced either in respect of the capital amount or the rate of interest or both

(ii) Total future liability (after the liquidation of previous debts) of agriculturists might be limited either by fixing it in terms of a suitable multiple of land revenue or on the basis of the average value of the land held in proprietary or occupancy right so as to enable the debt to be liquidated, after providing for the bare necessities of life of the owner (or tenant) and his family, within a period of say 30 years;

(iii) A further safeguard against the excessive credit and evasion of restrictive measures would be to prohibit borrowing from more than one source and we proffer this suggestion for consideration;

(iv) Co-operative godown and sale societies, if prudently managed,—and they could profitably utilise local business talent to this end—could provide a useful link between the individual agriculturist or the small dealers and the commercial banks. Such societies, by providing a general collective guarantee on the top of the security actually afforded by the produce itself, would make it a commercial proposition for banks to advance both with narrower margins and in larger amounts;

(v) Apex banks, if their directorate is competent to exercise effective control, can provide a useful check over the amount of credit which may be devoted to a particular crop over a particular area, and if properly organized should form a useful channel through which the Reserve Bank could let capital flow to the cultivator and the small dealers;

(vi) The first step necessary for putting the co-operative movement on its feet is, to disentangle those assets which represent long-term debts;

(vii) The co-operative central banks must first bring down the debts to a level in which there is a reasonable prospect of repayment out of the profits of agriculture within a reasonable period, say, twenty years. The irrecoverable portion will have to be written off from their reserve and other funds. In certain cases the sale of a portion of the members' property may be necessary.

(viii) Prudently run co-operative societies should make provision for seasons, when members are prevented from repaying their loans by causes beyond their control, by working on a sufficient margin of profit in building up substantial reserve funds;

(ix) We consider that there should be more practical bankers among those in control of banks in each province;

(x) Overborrowing and undue leniency in the matter of recovery might be checked if adequate representation could be secured to the depositors, either by nomination or other means on the boards of provincial and central banks;

(xi) Loans must be strictly limited to cultivation finance. This should ordinarily mean the expenses in connection with cultivating operations like ploughing, maintenance of the farmer's family till harvest or other urgent purposes like the replacement of cattle or implements, provided such loans can be repaid out of the proceeds of the harvest in a normal year;

(xii) In order that there may be no over-financing, the normal income from the crop and the normal cost of cultivation should be esti-

mated by the co-operative department and the Central Banks. It should be possible to do so with approximate accuracy with the help of the Settlement Reports and the Agricultural and Revenue Departments. The estimate will remain fairly stable from year to year but should be checked and revised if necessary with every year's experience;

(xiii) If loans have to be issued which cannot be repaid in one year, e.g., for the replacement of cattle, such loans should not extend beyond two years and provision should be made for their repayment in equal instalments. Such loans should also be clearly distinguished from annual loans, and should not exceed a comparatively small proportion of the societies' business.

(xiv) All loans must be issued in instalments as money is required for each of the purposes and not in one lump sum;

(xv) If loans are not repaid within the stipulated period, immediate steps must be taken to recover the amount or wind up the society unless there is a crop failure;

(xvi) Extensions should be allowed only in cases of crop failure certified by the Department and then only if there are reasonable prospects of recovery in the near future;

(xvii) The total amount of loans extended owing to crop failure and any other overdues must be shown separately in all accounts, balance sheets and statistics whether of the society, the Central Bank or the Apex Bank;

(xviii) The Co-operative Societies Act might be amended to give them a fixed charge or agricultural charge upon a produce obtained with the aid of loans advanced by them, and to render liable to three months' imprisonment any cultivator-borrower who disposes of his produce without repaying this loan.

Another series of suggestions are contained in the Statutory Report. These may be summarized as under:—

(a) The overdues and long term loans should be separated and put on a proper footing. Overdues should be brought down to a level at which there is a reasonable prospect of repayment out of the profits of agriculture within a reasonable period, say, twenty years, partly by writing them off from reserve and other funds and partly by recovery from sale of part of the member's assets and spreading out the remainder into instalments and transferring them to some special agency equipped to deal with long term credit facilities such as a land mortgage bank. When the funds of the society are not sufficient to cover the losses, it is better to face the facts and to decide what agency can best bear the losses. It is better to follow the bolder policy of deciding at the outset what losses are inevitable and to make provision for recovering the rest in easy instalments.

(b) In order that the societies should be able to grant extensions or remissions in case of crop failures they should build up a strong reserve by keeping an adequate margin between their borrowing and lending rates. We wish to point out the danger of working on inadequate margins and the necessity of accumulating proper reserves as a provision for losses so that the society may be able to be of greater service to the members in times of distress and may not be forced into liquidation or a state of suspended animation as at present on the occurrence of crop failures.

(c) Future loans should be restricted to such sums only as could be reasonably expected to be repaid out of the harvest. Crop loans do not mean loans for cultivation purposes only but include other loans required by the cultivator, so long as they are restricted to an amount which can be repaid out of the harvest and that for such purposes as the purchase of cattle, loans for two or three years might be allowed so long as they are limited to a comparatively small proportion of the societies' business. Our object is to point out the necessity of co-operative societies confining the major portion of their business to strictly short term finance to lessen the chance of the loans falling into arrears and of the society's ability to finance its members in the future being impaired by the freezing of its assets.

(d) The primary society which is the pivot of the whole movement must be re-established and reconstructed on sound co-operative lines, so as to bring the whole life of the cultivator within its ambit;

(e) In order to achieve this purpose, the primary societies should be federated into small banking unions.

(f) The present co-operative commission shop consisting of members belonging to different villages, many of whom never make use of the shop while the rest sell only part of their produce through it, does not serve much useful purpose. A better plan would be to induce societies to take up joint marketing.

(g) We consider that central societies could become one of the best means of ensuring a fair price to the cultivator and establishing contact between him and the money market but we must emphasise the need for preparing the way by small, properly organised local beginnings.

(h) Even if the central bank is to be retained it seems necessary that societies should be grouped into banking unions.

(i) A provincial bank as the apex institution can play a much wider part in the direction and guidance of the movement. It should also serve as the development department for the co-operative movement. By interesting themselves in all activities calculated to tone up, consolidate and expand the movement, the provincial banks will make themselves far more useful than if they restrict their role to finance only.

(j) We consider it essential that those responsible for the co-operative movement in the various provinces should take account of these developments and should remodel their banks accordingly. Co-operative banks must maintain sufficient fluid resources to provide for the withdrawal of deposits. They must also, as in the case of primary societies, maintain a sufficient margin between their borrowing and lending rates not only to meet their expenses but to build up their reserves. All the amount taken towards income must be actually realised and must not include any unrealised or unrealisable interest which has been added to the capital of the loans. Much stricter provision must be made for setting out overdues both of principal and interest in the balance sheet which should specify the maturity of the loans by categories, e.g., under six months, six to twelve months, one to two years and over two years.

(k) The balance sheet must be prepared in such a way as to present a true picture of the condition of the bank and must be published with the punctuality and promptitude now insisted on in the case of commercial banks.

(l) We consider that it would contribute greatly to the health of the co-operative movement if closer contact should be established with first class commercial banks throughout and that those in charge of the movement in various provinces should get into touch with these commercial banks and take their advice in reorganising their business. Closer contact can also be established by co-operative banks making more use of commercial banks of standing for investment of their surplus funds as well as for obtaining credit from them on Government paper or otherwise. Commercial banks might also on their part utilise co-operative banks for the collection of bills in small places where they have no offices of their own.

(m) Co-operative banks must make provision for the training of their existing staff in banking theory and practice. We further think that the provincial and more important central banks would benefit greatly if they could have some professional bankers on their boards.

(n) We consider it highly desirable that arrangements should be made for the person whose debt is to be paid by the land mortgage bank to serve a period of probation with a good primary credit society and that even after the land mortgage bank has advanced him a loan he should continue to be a member of a multiple purpose society so that the regular repayment of his instalments may be ensured by proper supervision of his activities.

(o) We deprecate too exclusive concentration in land mortgage banks on liquidation of old debts to the neglect of the far more important work of supplying finance for the improvement of land which would be productive of permanent benefit to the agriculturist. After all, the main purpose of a long term loan raised on the security of land should be the improvement of land itself.

(p) If people will not come to the banks of their own accord for such assistance it will be necessary for the banks to carry on propaganda for the purpose. They should make known the special facilities which they would be in a position to give for works of improvement, the amount which can be advanced and the instalments with which they can be repaid. Special efforts might be made in selected areas and help might in the beginning be confined to people approved and recommended by co-operative societies.

(q) The local officers of the Agricultural Department could then help the banks in (a) propaganda and education of cultivators in the facilities offered for the financing of land improvement, (b) assistance to cultivators in the preparation of suitable schemes for financing, and (c) examination of the technical aspects of schemes submitted and inspection of subsequent progress after they had been put into effect.

(r) Credit agencies must clearly understand that they must build up their own business on their own resources and on lines which do not involve reliance from day to day on an outside or even the central institution.

(s) Co-operative banks cannot expect the Reserve Bank to supply normal finance or to act as the apex bank of the movement. The Reserve Bank can come into the picture only when the ordinary pool of commercial credit appears inadequate to meet the reasonable business requirements of the country.

(t) The Reserve Bank must retain the discretion to judge for itself the advisability and expediency of granting accommodation according to the circumstances of the time, and cannot make large permanent promises in advance.

(u) Any Reserve Bank will have to insist on provincial banks which are approved for financial assistance maintaining financial statements in certain forms and submitting them periodically.

(v) The Reserve Bank must also have the right to inspect such banks.

(w) Any accommodation granted will be on the credit of the provincial co-operative bank and it will be necessary for such provincial banks to maintain with the Reserve Bank some minimum balance which will have to be prescribed by us from time to time to ensure that they are maintaining sufficient fluid resources.

The Reserve Bank followed up these two reports with the publication of a number of bulletins on different aspects of the co-operative movement. Hitherto, four bulletins have been published as under:—

- (1) *Report on the Banking Union at Kodinar.*
- (2) *Co-operative Village Banks.*
- (3) *Recent Developments in the Co-operative Movement in Burma* with suggestions for their applicability to India.

(4) *Co-operation in Panjavar*, a village in the Una Tahsil of the Hoshiarpur District, Punjab.

In May, 1938, the Reserve Bank of India issued to all provincial co-operative banks and central land mortgage banks a circular defining the procedure to be followed by co-operative banks while obtaining financial accommodation from the Reserve Bank. In its letter forwarding the circular, the Bank mentioned that it reserved to itself the right of changing the conditions from time to time and calling for additional information or imposing such other conditions as it might deem necessary before granting advances or rediscounts. In the case of crop loans, for instance, it was observed that the Reserve Bank would have to watch carefully the risk of excessive financing in any one area or of any one crop. Along with the circular it also attached a standard form in which balance-sheets might be drawn up. This form, with a few modifications, has now been finally adopted by the Reserve Bank. The following are extracts from the relevant portions of the Reserve Bank circular on the subject:—

"In deciding the question of admission to the list, the Reserve Bank will not be guided merely by the classification of the Bank according to the audit but will consider whether its business is carried on generally on sound banking lines and will in particular pay attention to the following matters:—

- (i) The maintenance of an adequate reserve and fluid resource invested in liquid securities;
- (ii) A strict separation of short term loans repayable within a year and long term loans, the proportion of the latter to the former not being unduly high;
- (iii) The proportion of overdues and bad debts to total loans and the provision for them;
- (iv) A business-like distribution of the assets in cash, investments, short term loans and long term advances;
- (v) The rate of interest paid on deposits;
- (vi) The dividends distributed.

"Provincial co-operative banks admitted as approved banks will have to agree to the following:

- (i) Maintenance of a cash balance with the Bank, the amount of which shall not, at the close of business on any day, be less than $2\frac{1}{2}\%$ of the demand liabilities and 1% of the time liabilities of such bank in India as shown in the special returns to be filed for the purpose.

"Where the headquarters of a provincial co-operative bank or that of a land mortgage bank are not situated at the place where the Reserve Bank has its branches in the Banking Department free remittance transfer facilities will be provided for the maintenance of this account.

- (ii) Preparation and submission of the balance sheet and annual report on the lines laid down by the Reserve Bank;
- (iii) Submission to the Reserve Bank of the Audit Note;

- (iv) Submission of periodical statements prescribed by the Reserve Bank;
- (v) Agreement to allow inspection of the Bank by officers of the Reserve Bank from time to time.

"Financial accommodation will be available under the following heads:—

- (i) Loans or advances against Government securities for periods not exceeding ninety days to provincial co-operative banks and through them to co-operative central banks—Sec. 17 (4) (a). This accommodation will be available at any time subject to the limits and margins which may be laid down by the Reserve Bank.
- (ii) The Bank would be glad to discount Treasury Bills at rates which can be ascertained from the Managers of the offices of the Bank.
- (iii) Similar loans and advances to provincial co-operative banks and through them to co-operative central banks against approved debentures of recognised land mortgage banks which are declared trustee securities, if the bank considers that the debentures are readily marketable.
- (iv) Loans and advances for periods not exceeding ninety days to provincial co-operative banks against promissory notes of approved co-operative marketing or warehouse societies endorsed by provincial co-operative banks and drawn for the marketing of crops—Sec. 17 (4) (c); or rediscount of such promissory notes maturing within nine months—Sec. 17 (2) (b); or loans and advances for periods not exceeding 90 days on the promissory notes of provincial co-operative banks secured by warehouse warrants issued by corporations independent of the borrower or on the security of promissory notes supported by documents of title to goods which have been assigned or pledged as security for cash credits or overdrafts granted by the provincial co-operative bank to approved marketing or warehouse societies—Sec. 17 (4) (d).
- (v) Besides making advances in the manner stated above the Bank will also on occasions be prepared to make advances to provincial co-operative banks for a maximum period not exceeding ninety days against promissory notes of central co-operative banks endorsed by provincial co-operative banks and drawn for financing seasonal agricultural operations or the marketing of crops—Sec. 17 (4) (c); or rediscount of such promissory notes maturing within nine months—Sec. 17 (2) (b). In this case the Bank would require more detailed information regarding the financial position of the central banks whose paper is intended to be rediscounted and the working of the primary societies financed by it. This inquiry will be made with a view to ascertaining how far the loans and advances made by the central banks to the primary societies are liquid or otherwise. For these loans the Bank would obviously have to confine itself to the paper of first class central banks run on sound banking methods."

The following is a further clarification of the conditions under which accommodation can be obtained under section 17 (2) (b) and 17 (4) (c) of the Act:—

- (a) Section 17 (2) (b) requires that bills or promissory notes offered for purchase or rediscount must bear two good signatures, one

of which should be that of a provincial co-operative bank. It is therefore, obvious that the provincial co-operative bank offering bills for rediscount and the central co-operative bank (or marketing society or warehousing society as the case may be) whose second signature appears on the bill or promissory note must be financially sound. In order to judge the financial position of the provincial co-operative bank and the central co-operative bank, the Reserve Bank may need detailed information regarding their working.

(b) The bills or promissory notes which are offered for purchase or rediscount by the Reserve Bank must be maturing within nine months from the date of such purchase or rediscount by the Bank. The bills or promissory notes must be therefore time bills or promissory notes, and must have a fixed maturity. In those Provinces where advances to co-operative banks and societies are made against demand promissory notes, the present practice will have to be modified in future, in any case in the case of those promissory notes which are to be offered to the Reserve Bank for rediscount.

(c) The bills or promissory notes must have been drawn in proper legal form so as to make them fully negotiable instruments. The promissory notes against which advances are made to co-operative societies are at times hedged round with various conditions such as payment of penal interest in case of default, stipulation for repayment of the loan earlier under certain circumstances, acceptance of repayments in small sums before the due date, etc. The promissory notes which are likely to be offered for purchase by the Reserve Bank should be free from such conditions as militate against their free negotiability. In other words, all that is required for obtaining rediscount facilities from the Bank is that the agricultural paper intended to be rediscounted with the Bank should be drawn in the form of a simple usance bill or a usance promissory note drawn by the central bank and endorsed by the provincial co-operative bank and the latter should certify by a separate document that the paper is drawn for financing seasonal agricultural operations or the marketing of crops.

It is mentioned in the brochure on the *'Functions and Working of the Reserve Bank of India' that a certain number of banks have arranged for financial accommodation from the Reserve Bank. It is not mentioned whether accommodation has been arranged in any of these cases on the security of co-operative paper. It is further observed in the same publication that "even in the case of the provincial co-operative banks, the Reserve Bank is not intended to supply normal finance for which the provincial co-operative banks, like the commercial banks, must rely upon their own resources. In accordance with the usual practice of central banks, the Reserve Bank supplies finance only in times of emerg-

* The Reserve Bank has just issued its Bulletin No. 7—*The Review of the Co-operative Movement in India, 1939-40*. It contains a comprehensive survey of the movement in India as well as some useful suggestions.

ency or seasonal stringency. Even in that case the funds advanced by the Reserve Bank are to be repaid within the time limit allowed by the Act and hence provincial co-operative banks cannot make use of them for the purpose of continuing finance."

A detailed circular was issued by the Reserve Bank of India in June 1939 to all provincial and central banks, defining some of the criteria of sound banking which would apply in judging the credit-worthiness of co-operative banks. It also contained suggestions for the reorganization of the movement on banking lines. The following are the suggestions and recommendations set forth in the memorandum:—

(1) It appears desirable that provincial and central co-operative banks should advance loans upto about 50 to 55 per cent of their deposits and invest the remaining assets in cash and gilt-edged securities.

(2) Cash and balances with banks may form about 10 per cent of the deposits.

(3) At least 30 to 40 per cent of the deposits should be invested in Government securities.

(4) We suggest that the provincial co-operative bank in each province should buy and sell Government securities on behalf of mofussil central banks and keep them in their custody earmarked for the account of the central banks concerned. The central banks should be required to hold at least 25 per cent of their fixed deposits, 30 per cent of their savings account and 35 percent of their current accounts in the form of Government securities and for this purpose to transfer an equivalent amount to the provincial bank which will buy Government securities for them.

(5) The co-operative banks should attempt as a general principle to avoid long term business and where loans for periods longer than nine months are found necessary, care should be taken to ensure that the total amount of such loans does not exceed the paid-up capital and reserves.

(6) To avoid the possibility of fictitious repayments in future, it is necessary that the practice of making recoveries in a lump sum at one time and advancing the whole amount soon afterwards should be stopped.

(7) Generally speaking, the bad and doubtful debts under present conditions should be expected to form at least 75 per cent of the debts due from societies under liquidation, 50 per cent of debts due from D class societies and 25 per cent from C class. Each bank should create a full reserve against bad debts and a 50 per cent reserve against doubtful debts.

(8) Deposit liabilities of co-operative banks as suggested by the MacLagan Committee should not ordinarily exceed 8 times the paid-up share capital and reserve.

(9) We suggest that the interest recoverable from D class societies and on bad and doubtful debts, even if it is not overdue, should not be taken to the profit and loss account.

(10) All co-operative societies should carry at least 1 $\frac{1}{3}$ rd of their net profits annually to the reserve fund until it equals the paid up capital and thereafter at least 1 $\frac{1}{4}$ th of the net profits.

(11) The spread between the borrowing and the lending rates of co-operative banks should be sufficiently wide to speed the building up of reserves on the lines indicated above.

(12) Investments in first mortgages of immovable property are not usually desirable for co-operative banks.

(13) The Reserve Bank will have to take into account whether a part of the net profits has been transferred to the reserve fund before such dividends are declared and whether the dividends are declared out of profits actually realised.

(14) A co-operative bank should not as a rule accept deposits for periods longer than a year or two at the most.

(15) It is essential that the central co-operative banks should employ an efficient and well paid staff trained in the theory and practice of banking.

These suggestions and recommendations were examined by provincial banks, the provincial co-operative departments and the Indian Provincial Co-operative Banks' Association. While not denying the need for the acceptance of principles of sound banking, attention was drawn to the impracticable nature of some of the proposals of the Reserve Bank of India. Criticism was directed, in the main, to the following points:—

(1) The Reserve Bank of India should have consulted the Indian Provincial Co-operative Banks' Association or placed themselves in touch with the provincial co-operative banks in the various provinces and elicited their views on the proposals embodied in the circulars. If they had done so and discussed with them any points of difference that such consultation might have disclosed, the Reserve Bank would have made certain modifications, especially in regard to some of the comments made by them in the circulars about the position of co-operative banks and their methods of working.

(2) In regard to the necessity of co-operative banks adopting methods which ensure safety and liquidity in the employment of funds so as to secure the stability of these banks, the Reserve Bank overlooked some of the principal differences between the commercial banks and the co-operative banks.

(3) The Reserve Bank have given specific advice to the co-operative central and provincial banks in regard to utilisation of their resources for loans and advances to be made for short and intermediate purposes. The Reserve Bank, however, have not indicated anywhere in their circulars what margin they consider will be necessary between the borrowing and lending rates of these banks, in order to be able to work on the basis of limiting their advances and loans to 50 to 55 per cent of their deposits and of investing remaining funds in gilt-edged securities and cash.

(4) Very few banks will be able to meet their normal expenditure from the margin between the interest receivable and interest payable. Joint stock banks work with a much higher difference between their borrowing rate, that is to say the rate of interest paid by them on their deposits, and the rate of interest charged by them on their loans and advances. The co-operative banks, however, are now working on different methods. They are required to maintain fluid resources on standards prescribed by Provincial Governments. If the authorities of the Reserve Bank are not satisfied with the standards adopted in any province, it is of course open to them to suggest to the Provincial Government concerned to modify the scale prescribed in that province.

(5) It may be conceded that it is legally permissible for the Reserve Bank to ask for the deposit of balances as there is nothing in the Act to prevent the Reserve Bank from prescribing this as a condition of financing; but it must be said that it involves a distinct departure from the policy underlying the Act. The non-mention of the provincial co-operative banks in Section 42(1) may be taken to be an indication that the intention of the Act is to exempt them from the provisions of the section. A reference to the proceedings of the Select Committee, which shaped the Reserve Bank Bill, will bear out this contention.

(6) There is no provision in the Reserve Bank of India Act for inspection of co-operative banks by the Reserve Bank. The Registrar of Co-operative Societies exercises general supervision and is also the auditor under the Co-operative Societies Act, and through him certain periodical statements such as quarterly financial statement are being submitted to the Provincial Governments. In view of the above, it is unnecessary for the Reserve Bank to undertake inspection through their own staff. If, however, such inspection is desired by the Reserve Bank in order to be in touch with the work of the Provincial Banks and to give them helpful advice and guidance, the inspection must be done only by officers of the superior rank, preferably by the Officer-in-Charge of the Agricultural Credit Department.

(7) The complaint is made in the Circular that co-operative banks take no steps to prepare any accurate estimates of their bad and doubtful debts. This is not correct so far as banks in several provinces are concerned. It is also not clear that the provision against bad and doubtful debts on the basis suggested is to be made only by banks which do not prepare regular statements.

(8) There is a reference to the capitalizing of interest. Opinion may differ whether this practice is sound or unsound, but the Reserve Bank is scarcely justified in alleging that this leads to undue inflation of the owned funds of co-operative banks, making it difficult to gauge the real position about the proportion between the owned capital and the borrowings.

(9) When Sir M. L. Darling went round the country before the opening of the Agricultural Credit Department, he advised banks to strengthen their long-term resources by offering special terms for

long term deposits. In view of the fact that central banks have to cover their old outstanding loans which have become frozen, it is doubtful to what extent the recommendation of the Reserve Bank that long term deposits should be discouraged is a sound one.

In the Statutory Report published in 1937, the Reserve Bank mentioned that the question of remittance facilities was under consideration. In September 1940, the Reserve Bank announced the new arrangements which it proposed to introduce with regard to remittance facilities in India and Burma. In this scheme, the concession of free transfer of funds for *bona fide* co-operative purposes hitherto enjoyed by co-operative societies of all types was withdrawn. Under the new arrangements, no free remittance transfer receipts or drafts on Government account at par are available. In the scheme formulated by the Reserve Bank of India, co-operative societies were originally placed on the same basis as indigenous bankers in respect of telegraphic transfers, drafts and mail transfers, with the modification that, while for transfers upto Rs. 5,000 the minimum charge for indigenous bankers has been fixed at Re. 1, this has been fixed at annas 4 only for co-operative societies. The terms prescribed are as under:—

Up to Rs. 5,000	.. 1/16%	(minimum Re. 1-0-0)
Over Rs. 5,000	.. 1/32%	(minimum Rs. 3-2-0)

(Actual telegram charges to be charged in addition)

For co-operative bank and societies the minimum exchange on drafts and mail transfers for amounts up to Rs. 5,000 will be Annas 4 only.

Attention was drawn on behalf of co-operative societies to the following recommendations of the Indian Central Banking Inquiry Committee:—

“Free remittances of funds for co-operative purposes is of the utmost importance to the co-operative movement and no attempts should be made to curtail those privileges under the rules of the Government of India in this matter.

“As regards remittance facilities for other than co-operative purposes co-operative banks should be entitled to the same privileges as joint-stock banks.”

The Reserve Bank of India, in reply, mentioned that the question of continuance of the facility for free transfer of funds was one which lay entirely within the competence of Provincial Governments and co-operative institutions were advised to address their representations to Provincial Governments. Such representations have been made in some provinces, but it is only in the Central Provinces and Berar that the facility of free transfer of funds has been restored by the Provincial Government. In response to the complaint made that co-operative societies did not enjoy the same facilities as scheduled banks, a fresh scheme was drawn up by the authorities of the Reserve Bank of India. Although this scheme does not meet the demand put forward on behalf of co-operative institutions, it provides for an extension of the facilities in respect of the

transfer of funds between two provincial banks and of remittances from district banks to the provincial bank through branches of the Imperial Bank of India. The revised terms communicated by the Reserve Bank of India are as given in the following Circular:—

"It is proposed to extend the remittance facilities at present available to the co-operative movement and to that end it has been decided to extend to the provincial co-operative banks certain additional remittance facilities which will place them more or less on the same footing as the scheduled banks for the purpose of remittances. These facilities, however, will be extended only to such provincial co-operative banks as agree to the conditions laid down by the Reserve Bank in this behalf. The details of the facilities which it is proposed to extend and the conditions on which they will be extended have been set out later in this memorandum."

"In order to clarify the scope of the concessions which we propose to extend to the provincial co-operative banks, it seems desirable, in the first instance to set out the facilities which have been given to the scheduled banks under the new scheme. Appendix II of the scheme provides the following facilities to the scheduled banks:"

"A scheduled bank is entitled to remit money by mail or telegraphic transfers between the accounts kept by its offices, branches, sub-offices and pay offices at an office, branch or agency of the Reserve Bank in British India as follows:"

- (a) An amount of Rs. 10,000 or a multiple thereof between its accounts at the offices and branches of the Reserve Bank, free of charge;
- (b) Once a week an amount of Rs. 5,000 or a multiple thereof to the principal account which it maintains with the Reserve Bank, from any place at which it has an office, branch, sub-office, or pay office and at which there is an agency of the Reserve Bank, free of charge. The term "principal account" means the account maintained with the Reserve Bank by the principal office of a scheduled bank as defined under the Scheduled Banks Regulations;
- (c) Other remittances to its principal account subject to a charge of 1/64% and also subject to a minimum charge of Re. 1;
- (d) Other remittances between accounts maintained at the Reserve Bank or its agencies;

Upto Rs. 5,000	1/16%	(minimum Re. 1-0-0)
Over Rs. 5,000	1/32%	(minimum Rs. 3-2-0)

(Actual telegram charges are charged in addition)

- (e) Telegraphic transfers and drafts:

In favour of third parties:

Upto Rs. 5,000	1/16%	(minimum Re. 1-0-0)
Over Rs. 5,000	1/32%	(minimum Rs. 3-2-0)

(Actual telegram charges to be charged in addition).

"It will be seen that facilities mentioned in sub-para (d) and (e) above are already available to the provincial co-operative banks so that the

special facilities enjoyed by the scheduled banks are only those stated in sub-paras (a), (b) and (c). These special facilities, however, are available to the scheduled banks only for remittances between accounts maintained by the scheduled banks with the branches of the Reserve Bank or the Imperial Bank. This is due to the fact that the treasuries, though they are the agencies of the Reserve Bank for purposes of remittances, do not open accounts for banks and the above facilities are not, therefore, available at the treasuries. It should further be noted that before the above facilities can be utilised, the scheduled bank concerned should not only have accounts with the Reserve Bank or the Imperial Bank at both the remitting and the receiving centres, but should also have its own offices or branches at such centres.

"The actual facilities which we propose to extend to the provincial co-operative banks are as follows:—

"In addition to the facilities already available, a provincial co-operative bank will, from the date from which this scheme comes into force, be entitled to remit money by mail or telegraphic transfers between the accounts maintained at an office or branch of the Reserve Bank or the Imperial Bank as follows:—

- (i) An amount of Rs. 10,000 or a multiple thereof between the accounts maintained by the provincial co-operative banks at the offices and branches of the Reserve Bank, free of charge; this facility will be available only between banks joining the scheme.
- (ii) Once a week an amount of Rs. 5,000 or a multiple thereof to the principal account which it maintains with the Reserve Bank from any place where it has an office or a branch and at which there is an office, branch or agency of the Reserve Bank, free of charge;
- (iii) Other remittances to the principal account will be charged 1/64 per cent, subject to a minimum charge of Re. 1.

(Actual telegram charges to be charged in addition)

"For the purpose of the above concessions, the Reserve Bank will treat the co-operative central banks which are affiliated to the provincial co-operative bank as branches of the latter. The principal account of a provincial co-operative bank will be the account maintained by the head office of the bank at the local office or branch of the Reserve Bank.*

"A provincial co-operative bank desiring to avail itself of the above facilities will have to agree to the following conditions;

*The following further note has been added by the Reserve Bank:—

A branch of the provincial bank or an affiliated central bank at a place where there is no branch of the Imperial Bank will be granted the facility of making remittances under sub-paras (ii) and (iii) from an account which it maintains with a branch of the Imperial Bank at a very nearby place. This facility will be available only from one branch of the Imperial Bank and will be granted on the provincial or central bank declaring to the office of the Reserve Bank at which the principal account is maintained, the place at which it is to be enjoyed.

- (i) It should undertake to maintain with the Reserve Bank a balance the amount of which shall not, at the close of business on any day, be less than $2\frac{1}{2}\%$ of its demand liabilities and 1% of its time liabilities as shown by the return referred to in (ii) below:
- (ii) It should send to the Reserve Bank at the close of business on each Friday, or if Friday is a public holiday under the Negotiable Instruments Act, at the close of business on the preceding working day, a return of its position in the form prescribed in section 42 (2) of the Reserve Bank Act and signed by two of its responsible officers; such return shall be sent not later than two working days after the date to which it relates;
- (iii) If at the close of business on any day before the day fixed for the next return, the balance held at the Bank by any provincial co-operative bank falls below the minimum indicated in (i), the provincial bank should pay to the Reserve Bank in respect of each such day penal interest at a rate 3 per cent above the bank rate (with a minimum of Rs. 10) on the amount by which the balance with the Reserve Bank falls short of the required minimum, and if on the day fixed for the next return such balance is still below the prescribed minimum as disclosed by the return, the rate of penal interest shall be increased to a rate 5 per cent above the bank rate in respect of that day and each subsequent day for which the default continues. If any provincial bank, however, wilfully defaults in the maintenance of the minimum balances for periods exceeding two weeks or fails to send the returns referred to in (ii) above, the remittance facilities would be withdrawn from the bank concerned.
- (iv) The provincial co-operative bank and the central banks affiliated to it should prepare their balance sheets in the form suggested by the Reserve Bank and append thereto the certificate of the auditors and also supply half yearly statements of their operations in the form prescribed.
- (v) If any of the provincial co-operative banks or affiliated central banks enjoying the above facilities works on lines not approved by the Reserve Bank, the above facilities would be withdrawn from it in consultation with the Registrar.†
- (vi) It is presumed that the above facilities will be used only for bona fide co-operative purposes. While no declaration will be required from the co-operative banks in the case of each remittance that it is intended strictly for co-operative purposes, the above facility is likely to be withdrawn from any bank utilising it for purposes other than co-operative.

"It has been decided to bring the above scheme into effect from 1st September 1941. This arrangement will be in force for a period of 3 years in the first instance after which it will be reviewed in the light of the experience gained. This scheme applies only to such provincial co-operative banks

†The Reserve Bank has recently notified that this clause has been omitted from the scheme.

as have their head offices in places where there are offices or branches of the Reserve Bank."

To these arrangements the main objection is in respect of the conditions which are attached to the facilities that are made available. It may be pointed out that under the Reserve Bank Act special status is accorded to provincial co-operative banks and in view of the conditions of their working, they have been exempted from the provisions regarding the maintenance of balances. The need for insisting on maintenance of balances in connection with the grant of remittance facilities is not understood. It may be pointed out that the Indian Central Banking Inquiry Committee, when it urged, in paragraph 186 of its Report, that co-operative banks should be allowed the same facilities of remittances as scheduled banks, did not contemplate the maintenance of balances by co-operative banks with the Reserve Bank of India. Nevertheless, it favoured their enjoying the same terms as were given to joint-stock banks.

It may be useful for co-operative banks to have a uniform form for balance-sheets and audit certificates. The Reserve Bank may prescribe this when granting credit. It does not seem appropriate, however, that this should be imposed as a condition while extending to them the remittance facilities enjoyed by all scheduled banks, irrespective of their status and management. It is not clear why the Reserve Bank should choose to impose the condition about the manner in which co-operative banks should conduct their operations while extending to them the same facilities in respect of remittances as are enjoyed by scheduled banks, irrespective of their working or management. If co-operative banks transgress the Act, Rules and their own bye-laws, there are ample powers vested in the Registrar of Co-operative Societies and Provincial Governments under the co-operative law for taking disciplinary action.

It is urged that co-operative banks should have the same freedom to function under the Co-operative Societies Act and rules thereunder and also according to their bye-laws as is enjoyed by co-operative banks. It is to be noted that there is no question involved here of co-operative banks competing unfairly with scheduled banks as the facilities that they will enjoy will not be any greater than those available to scheduled banks. It is a wrong conception to confine co-operative banking to a particular field of work; co-operative banks in other countries are permitted to conduct all types of banking business, subject, of course, to the statutory safeguards contained in the co-operative laws of those countries. The term "bona fide co-operative business" is not defined by the Reserve Bank and is liable to various interpretations. As the facilities are no more than those granted to scheduled banks, there is no reason for fettering the liberty of co-operative banks to do business permissible to them under the Act, Rules and bye-laws.

It may be noted that three Banks, namely those for Bombay, Sind and the Punjab, have agreed to participate in the arrangements for the revised remittance facilities.*

*We learn that the Madras Provincial Co-operative Bank will join from January 1942.

Under section 17, it is open to the Reserve Bank to invest in and grant loans against the debentures of provincial co-operative land mortgage banks which conform to the definition of provincial bank and which have had their principal and interest guaranteed by a Provincial Government. Such debentures play an important part in securing resources for the long term requirements of agriculturists. It is not open to the Reserve Bank to grant any long term accommodation to provincial co-operative land mortgage banks, but assistance can be made available in the form mentioned above. In the brochure on the 'Functions and Working of the Reserve Bank of India', it is mentioned that such assistance can be of a very restricted nature and financial accommodation to the banks themselves can only be against Government securities for a period not exceeding 90 days. The Reserve Bank, it is added, can help by buying debentures or making loans against them only if it is satisfied that they are readily marketable and that genuine investors have been attracted to this form of investment by a provincial land mortgage bank. It may be pointed out however that the objection taken that the debentures of land mortgage banks are not easily favoured by genuine investors is not applicable to the debentures of all the provincial land mortgage banks. In fact, in some banks, the bulk of the debentures are held not by co-operative institutions or public bodies, but by private investors and business institutions. It has been urged on behalf of the co-operative movement that if the Reserve Bank refuses or hesitates to lend on the security of the debentures of land mortgage banks, the principal and interest of which are guaranteed by a Provincial Government, it will affect the possibility of increasing the attractiveness of investment in this security and enhancing its marketability.

"A Central (Reserve) Bank is essentially the crown of the whole structure of banking in its widest sense, and if it is well designed to meet the practical requirements of the country it must be adapted to the banking organisation of the country on which it should rest."

—The Indian Central Banking Enquiry Committee.

"Devising an Indian Central Bank is quite another matter—an institution which will fit in with Indian life, is adapted to Indian practices, and adjusted to the diverse needs of the population. An imported European or American Central Bank of either standard type would no doubt offer some advantage over the present system. But the Central Bank that India needs must be Indian—it must be as Indian as the Ganges."

—An American Critic.

RURAL INDEBTEDNESS IN INDIA

By

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Kipling's picture of the life of the average Indian peasant cannot be improved. At no time in his life the Indian peasant is able to dispense with the money-lender. To purchase seedlings, to maintain himself and his family during the pre-harvest season, during years of drought to meet the expenses necessitated by the tyranny of long-standing social customs, the peasant invariably seeks the aid of the money-lender. Just as he inherits his father's lands, so he often inherits his parents' debts. The encumbrances of the dead father frequently affect the life of the son adversely.

The agriculturist feels shy of mortgaging his lands for fear that his social position will be damaged. Hence, he is ready to borrow by the simple process of annexing his signature to a bond, however high the rate of interest may be. The money-lender is also tempted by the high rate of interest to make reckless advances; but the money-lender does not necessarily undertake great risks by giving unsecured loans, as he is often adequately compensated by the high rate of interest he receives. "Secondly, he has ample security in the triple chain of caste and character" which necessarily binds the peasant to the soil; and as long as the peasant holds the land the money-lender can enrich himself.

Thus from generation to generation the Indian peasant has been afflicted by the nightmare of debts. He may slave all his life, but he can never free himself from the grip of the money-lender. The result is "the Indian peasant is born in debt, lives in debt, dies in debt, and bequeaths debt." The existence of debts is the root cause of the degeneration of the peasantry in India. The future of the country cannot be rosy when the tiller of the soil, the custodian of the national wealth, is in this melancholy plight.

Why do peasants run into debt?—A variety of reasons has been given to account for the immersion of the Indian peasantry in debts. Some lay stress on the fact that the Indian peasant has a tendency to borrow for unproductive purposes; others complain of the burden of ancestral debts; yet others trace the peasant's financial difficulties to the fickleness of the Indian monsoons and to the uneconomic nature of his small holdings. Let us consider in some detail a few of the causes of agriculturists' indebtedness.

(1) Excessive subdivision and fragmentation of holdings leads to much wastage. Cultivation under the system of small holdings ceases to be economical and becomes merely a mode of living. Hence the cultivator is driven to the necessity of depending on the money-lender not only for any unforeseen expenses but even for his daily needs.

(2) The decline of the handicrafts of India has led to an excessive pressure on land. The ryots are without any kind of employment during a portion of the year. If some small scale industries are started, they can give employment for the agriculturists during the period they have to keep idle and thus help to augment their income. As conditions are, there is no subsidiary occupation for the peasants. This enforced idleness during a part of the year impoverishes the poor peasant still further. If the handicrafts were as powerful as they once were, they will act as safety-valves for the population depending on agriculture. For want of any other kind of village handicrafts, the bulk of the rural population has to depend on land and land alone. Needless to say that excessive pressure of the population on land has brought about many evils. The income from land cannot meet the needs of the large number of persons depending on it. Hence the peasants have to seek the money-lenders' expensive aid.

(3) Indian agriculture is said to be a gamble in the monsoons. A large part of the country depends on rain for cultivation, since the irrigation system has not yet been adequately developed. When rains fail, the poor peasant is in distress. This apart, there is the crop cycle. On an average for every five years there is usually one good crop, one bad crop, and three crops neither good nor bad. This constant variation in the yield of the land also forces the agriculturist to borrow in order to meet his expenses during lean years.

(4) The position of the agriculturists is completely undermined by the periodic loss of cattle through cattle diseases which every year levy a heavy toll upon the agriculturists' possessions. The peasants have to borrow money to replace dead cattle.

(5) Diseases like malaria permanently undermine the efficiency of the peasants. Malaria is a very common fever in the much water-logged agricultural tracts. This tells upon the vitality of the agriculturist and lowers his efficiency and thereby his earning capacity.

(6) The Indian agriculturist is said to be fond of litigation and he wastes a good deal on marriages and social functions. But though these provide some causes of his indebtedness they are not the main sources of his debts. Marriages and social and domestic functions are but occasional events. What makes him indebted is mainly annual budgets of his own household struggling to make both ends meet.

(7) Yet another reason for the ryot's indebtedness is the security of a stable government. The establishment of Pax Britannica and the era of peace and ordered government have enhanced the security of

land. Therefore, ryots find it possible to mortgage their lands easily to make adjustments in their expenses.

(8) The bearing of ancestral debts is a pious obligation in Hindu India; and accordingly, most ryots desist from seeking legal protection even to save themselves from the clutches of the usurious money-lenders.

(9) Peasants are generally illiterate and money-lenders generally take undue advantage of their ignorance. Accounts are often fraudulent; the interest charged is invariably usurious and however much the peasant may try to clear off the debt, he finds himself under a perpetual liability to the money-lender.

The causes of indebtedness enumerated so far would prove conclusively that the agriculturists do not contract debts for productive purposes. The money expended on the improvement of land only forms a meagre proportion of the total debt, whereas the debt incurred for unproductive purposes nearly covers one-tenth of the total debt. Nor can it be maintained that land revenue has been oppressive and that it had forced agriculturists to borrow. That a large number of debts are contracted on the security of land is adequate proof that land is still a secure source of investment and that the assessment is not in any way oppressive when compared to the yield of the land. It must be conceded that the excessive pressure upon land and the primitive methods of cultivation make the ryots' position difficult and economically unsound.

Estimates of Rural Debts.—Dependable statistics are not available of the total rural indebtedness of the country. Various estimates have been offered. Sir Edward Maclagan estimated in 1911 that the total rural indebtedness might be about Rs. 300 crores. Frederick Nicholson estimated that the rural indebtedness of the Madras province alone was 45 crores. M. L. Darling prefers the Punjab estimate of rural indebtedness to that of Madras. In the Punjab, rural debts are said to amount to Rs. 90 crores, about 18 times the total land revenue collected. After making some allowances in crores (correction) the rural debt of the Punjab may be taken to be 17 times at least the land revenue collected. If the average debt of India is the same throughout the country and if the land revenue of India is multiplied by 17, the total rural debt will amount to about Rs. 603 crores. Thus M. L. Darling is of opinion that the rural debt of India will be not less than Rs. 600 crores.

Various Provincial Banking Enquiry Committees have estimated the rural indebtedness of different provinces. These estimates of indebtedness in different provinces are as follows:—

<i>Province</i>	<i>Total Rural Indebtedness</i>
	Rs.
Assam	22 crores
Bengal	100 "
Bihar and Orissa	155 "
Bombay	81 "
Burma	50-60 "
Central areas	18 "
Central Provinces	36 "
Coorg	35-55 lakhs
Madras	150 crores *
Punjab	135 "
United Provinces	124 "

From these estimates it is found that the total indebtedness of the country is nearly Rs. 900 crores. Rural debts continue to increase. The Royal Commission on Agriculture in India has drawn particular attention to this fact. "It is more than probable that the total rural indebtedness has increased in the provinces; whether the proportion it bears to growing assets of the people has remained at the same level or whether it is a heavier burden or lighter burden on the more prosperous cultivator than of old, are questions to which the evidence we have received does not provide an answer." As an example, the total agricultural debt in the Punjab has increased from Rs. 90 crores in 1921 to Rs. 135 crores in 1929.

Why should Agriculturists be protected by debt legislation?—In a predominantly agricultural country like India, peasants form the backbone of the Indian economy. "The lesson of universal agrarian history from Rome to Scotland is that one essential of agriculture is credit. Neither the condition of the country nor the nature of the land tenures, nor the position of agriculture, affects one great fact that agriculturists must borrow." (Nicholson's report regarding the possibility of introducing Land and Agricultural Banks in the Madras Presidency, 1895). The Indian agriculturist, in his zeal to borrow money, inevitably falls into the trap of the usurer. Usury has thus become the bane of the peasant proprietor. Hence there is ample justification not only for enacting laws to extricate the peasants from the clutches of the money-

*According to the Report (1935) of W.R.S. Sathianathan, I.C.S., the present Registrar of Co-operative Societies, the rural indebtedness of Madras was about Rs. 200 crores.

lender, but for devising such machinery as will supply cheap credit facilities for the agriculturist.

From the purely military point of view, the peasants who supply the bulk of soldiers required for the army should be protected. If they are to be ruined by the rapacity of the usurer, the country's defence will be accordingly endangered. A hardy peasantry is an asset to a country like ours, whereas a good number are generally weak and decrepit.

Early Debt Legislation.—Laws to relieve the distressed debtors can be traced from the time of the *Dharmasastras* (5th century B.C.) to the present day. Legal rates of interest were fixed and concessions were offered for higher classes. Six per cent was the legal rate and any rate above this was declared to be null and void. It was also provided that the amount of interest paid should not exceed double the principal. During the Muhammadan period, state loans were advanced to officials and members of the Royal family. Loans were advanced free for the first year and after that period there was a progressive increase in the rate of interest. Loans were also advanced to the agriculturists in times of drought, pestilence, etc.

Debt Legislation during British rule.—From the year 1793 when proprietary rights were granted to the zamindars (the collectors of revenue) we find a steady growth in tenancy legislation. Owing to the periodical recurrence of famines, returns from the soil were poor and large scale borrowing became necessary. Many agriculturist money-lenders came forward to lend money solely with a view to appropriate the lands of the borrower. The debts of the peasants began to increase greatly. Even in cases in which the peasants possessed no right to transfer lands, they borrowed at as high rates of interest as those who had a right to the free transfer of land. One way or the other, the peasant was handicapped by debts.

Till a few decades ago, the civil law of debts was defective in the following respects:—

- (a) It made no provision for a consideration of the history of the debts under litigation.
- (b) The rate of interest fixed in the bond however usurious it might be, was taken for granted.
- (c) It had no control over the transfer of land in the enforcement of decrees for debts.

The first set of laws passed tried to relieve the big land holders of their indebtedness and prevent their estates from being transferred to the money-lenders. Encumbered Estates Relief Act 1876, Sind Encumbered Estates Act 1896, Bundelkand Encumbered Estates Act of 1903 were passed to relieve the big land-holders of their debts. According to the provisions of the Acts managers were appointed to determine the liabilities of estate owners and do everything necessary by way of lease, mortgage or sale to pay off the creditors. In Madras and Bengal the Court of Wards Act took the place of the Encumbered Estates Act in

other provinces. Under these Acts estates inherited by females, minors and people with mental or physical defects are taken over by the Court of Wards. Other proprietors of estates may also by application have their estates placed under the management of the Court of Wards. The Court of Wards may request Courts for injunction to stay proceedings in the court and settle the debts of the estates. Appeals against orders of the Court of Wards may be made.

In the year 1879, the Deccan Agriculturists' Relief Act was passed. The whole Act was based on the recommendations of the Deccan Ryots Commission, 1878. The Act provided for an investigation of the history of the debts and the transactions between the agriculturists and their creditors. The genuine principal as well as the rate of interest were to be determined according to the Act only in the light of the transactions. It provided for an insolvency procedure for the agriculturists. It also provided for the prevention of the sale of land not specifically pledged and for the restoration of the land to the debtor under certain circumstances even when there was a sale deed between the debtors and the creditors. Safeguards to prevent frauds in money-lending, a special machinery to render cheap and summary justice to ryots and the provision for conciliating the debts in the village courts were some of the features of the Act. The original Act was amended in the years 1882 and 1886. The Amendment Act of 1882 provided for the redemption of the debt before the due date mentioned in the bond. It also empowered mortgagors to sue for accounts without seeking the redemption of the mortgage lands. The Amendment Act of 1886 prescribed the mode of registration. It also stated that standing crops were moveable property and that they could be attached for debts. The period of limitation for loans to the agriculturists was extended to 12 years in the case of registered deeds and to 6 years in other cases. But the Act never fulfilled the great things expected of it. It increased litigation, and the sources for obtaining credit for the agriculturists were closed. The money-lenders were unwilling to enter into uncertain transactions; and they became more extortionate.

The Government was wedded to the policy of helping agriculturists whenever they wanted loans to improve their lands. Under the Land Improvements Loans Act of 1883 loans were to be granted only if the authorities were convinced about improvements which the agriculturists wanted to effect in their lands. Mostly, loans were to be granted either for sinking wells or for fertilizing the soil. The purchase of cattle and agricultural implements would not come under the scope of the Act and loans were not to be advanced for this purpose.

The Agriculturists' Loans Act of 1884 however remedied some of the defects of the former Act and loans were thereafter advanced for some of the legitimate requirements of the agriculturists.

These Acts were not of great use to the agriculturists. When compared to the general indebtedness of the agriculturists, only very low amounts were ever advanced. The agriculturists hated the delays in-

volved in the sanctioning of loans. The money-lender was easy of access and the Acts were unable to protect the agriculturists from falling into the snare of the money-lender.

The Usurious Loans Act as amended in 1908 determined the legal and maximum amount of interest that can be taken from the borrower. It also fixed the maximum rate of interest. The Act applies to all alike without any distinction between agriculturists and non-agriculturists. As the Central Banking Enquiry Committee has pointed out, the Act can give relief in certain individual hard cases but cannot exercise control over the money market.

Control of Money-Lenders.—When the Government understood the futility of the Usurious Loans Act, they gave their attention to the licensing and control of money-lenders. The exploitation of the agriculturists by the money-lenders depended on the degree of the backwardness of the people among whom they carried on their trade. The Punjab Regulation of Accounts Bill of 1930 and the British Money-Lenders Act of 1927 are steps in the right direction. The former made it obligatory on the money-lender to keep regular accounts and to keep the debtor informed every six months of the correct amount owed by him. Failure to keep accounts resulted in the disallowance of the interest partly or wholly. The second Act provided for taking out license by the money-lenders, prohibited the levy of compound interest; and the supply of information and of the copies of relevant documents relating to the state of loan on demand by borrower was made obligatory. These Acts were in the nature of experiments in regulating usurious money-lending. The provisions of the Punjab Regulation of Accounts Act are somewhat exacting and the success of the Act is to be watched. Legislation similar to the Punjab Act can be introduced into the other provinces, if it proves a success.

Land Alienation Acts.—Assiduous money-lending solely with the object of appropriating borrowers' lands led to the creation of a class of non-agriculturist land-owners; and the peasants driven out of the soil were unable to eke out a living. With a view to prevent the transference of land from the agriculturist to non-agriculturist class various Land Alienation Acts had to be passed. The Punjab Alienation Act of 1900, the Bundelkhand Alienation Act of 1903 and the Central Provinces Alienation Act of 1916 were some of the measures passed in order to restrict the peasants' right to transfer lands. According to the provisions of the Act if lands are mortgaged with a member of a non-agricultural tribe they may remain in force only for a number of years; and after that period mortgaged lands will have to be re-delivered to the mortgagor free of all encumbrances. According to the Punjab Land Alienation Act of 1900 peasants could sell their lands only to members of certain agricultural classes recognised by the State. This provision was made mainly to prevent the growth of a class of non-agriculturist landowners.

The ultimate object of these Acts was to check the growth of indebtedness. But their main purpose was defeated by the emergence

of a class called the 'agriculturist money-lender.' in certain cases, Non-agriculturist classes were also impeded by them to establish a right to call themselves agriculturists.

Another method of evasion pursued by non-agriculturist creditors is the use of benami transactions. "Sometimes a non-agriculturist creditor gets the land of his agricultural debtor mutated in favour of another agriculturist in his confidence and receives the rent or the produce of the land from his agricultural nominee. Yet another form of benami transaction is that a non-agriculturist gets the land of another agriculturist debtor mutated in favour of another agriculturist in his confidence and gets himself entered in the revenue papers as the latter's tenant-at-will, but does not actually pay such rent." The Special Officer appointed by the Punjab Government to throw some light on benami transactions discovered not less than 6697 cases of such transactions out of which 2437 were recommended for review.

The extent of land lost in recent years by agriculturists through transfer to non-agriculturists may be understood from the following tabulated statement:—

Year	Net area lost by the Agriculturists in acres.	Net area gained by purchase or redemption by the Agriculturists in acres.
1931	.. 31,295	5,941
1932	.. 61,415*	
	.. 25,621†	872
1933	.. 84,735*	
	.. 26,117†	3,233
1934	.. 85,144*	
	.. 37,702†	
1935	.. 97,376*	10,977
	.. 94,825†	20,292
Total	.. 544,230	41,315

* By mortgage.

† Redeemed by non-agriculturists.

The area gained by agriculturists is 41,315 acres as against 544,230 acres lost by them; the net loss to agriculturists is seen to be 492,915 acres in five years.

The Co-operative Movement.—It was Frederick Nicholson entrusted by the Madras Government with the conduct of an inquiry into rural indebtedness in the Madras Presidency, who made out a strong case for the establishment of co-operative credit banks. The recommendations

of Nicholson were not however adopted and the report was shelved. Later, Lord Curzon sponsored a move for the establishment of co-operative societies in India. A Committee under Sir Edward Law was appointed for ascertaining the views of local governments on Nicholson's report.

The Act of 1904.—The first Co-operative Credit Societies Act was passed in 1904. The Act provided for the formation of credit societies only and postponed all forms of non-credit co-operation. The Act was mainly intended to constitute credit societies in order to supply the peasants with cheap credit facilities. Co-operative Societies in the villages were established on the basis of unlimited liability, whereas in the case of urban societies the matter was left to the option of the societies. The Government gave many privileges and concessions to encourage the movement in its initial stages. The co-operative societies were exempted from income tax, stamp duty, and registration fees. They were granted the benefit of a corporate body, given priority over the ordinary creditors of a member next to land revenue, free government audit, etc. To encourage the formation of new societies, the Government helped every new society with a loan of Rs. 2,000 free of interest for three years, if it raised an equal amount as capital.

From 1906-1912 the co-operative movement made steady progress as the following figures show:—

Year	Number of societies	Number of members of primary societies	Amount of Working capital Rs.
1906-7	843	90,844	23,71,683
1907-8	1,357	149,160	44,14,086
1908-9	1,963	180,338	82,32,225
1909-10	3,428	224,397	1,24,68,312
1910-11	5,321	305,058	2,03,05,800
1911-12	8,177	403,318	3,35,74,162

The Co-operative Societies Act of 1912 recognized the formation of co-operative societies for purposes other than credit such as facilitating purchase, sale, production, insurance and housing.

Lord Curzon's ambition in sponsoring co-operative societies in this country was merely to provide the agriculturist with facilities for obtaining cheap credit. The movement has to some extent instilled in the agriculturists a desire for thrift, self-help and mutual help. But the village money-lender frequently enters the co-operative organisation and tries to vitiate the good purpose of co-operative societies. Unpunctuality of payments, fictitious payments, excessive overdues, defective

audit, inefficient control, benami loans, nepotism, red-tapism, inelasticity, dilatoriness and inadequacy of co-operative finance, etc., are accordingly not uncommon occurrences in the co-operative system of the country.

The co-operative movement in this country has had to grow under the protective wings of the government and its progress has thus been necessarily very slow. For this reason it has never succeeded in fully wiping off agricultural debt. In a country where agriculturists have no savings of their own capital is to be drawn from outside resources, such as the Provincial and Central Banks, against principles of co-operation. Hence agriculturists still continue to borrow from money-lenders at usurious rates of interest and the Co-operative Credit Societies have never been able to dislodge the money-lenders from their position. All the same, the movement has great possibilities and if it succeeds, it will bring new life to the rural population.

Land Mortgage Banks.—The Co-operative Societies were generally unable to advance long-term credit to the agriculturists. Proposals were therefore made for starting land mortgage banks on the Egyptian model. The Punjab gave the lead by starting the first land mortgage bank at Jhang in 1920, and later, banks were also started in Bengal. On account of the permanent settlement in Bengal, accurate land records were not maintained and this proved a stumbling block to the success of the banks.

The capital of the banks is obtained by issuing debentures. The State assists the banks by guaranteeing interest and repayment of the principal and by the purchase of a portion of the debentures issued. It can declare the debentures to be trustee securities enabling insurance houses and other firms to invest in the debentures of the land mortgage banks.

Loans are advanced to members upto 50 percent of the market value of the lands mortgaged. Loans are granted for a period not exceeding 20 years and are collected by yearly instalments. Primary societies are utilized as agencies for land mortgage banks, where branches of the land mortgage bank do not exist. In some provinces primary banks take shares issued by the Central Land Mortgage Banks. The debentures are issued by the Central Bank and the numerous primary banks get accommodation according to the extent of their investments.

The Land Mortgage banks have not made great progress. The reason for this is that at the most, the banks can undertake to reduce the burden of the debt by reducing interest rate. It can help the agriculturists to liquidate the debts by paying in small instalments. But it cannot help the agriculturist in any way if he borrows for wasteful purposes and shows a want of prudence. Again, the maximum limit for loans to be advanced on the security of land is fixed. Hence all the debts of the agriculturists cannot be transferred to the bank. The Land Mortgage Bank is finally forced to take possession of the land of the mortgagor and when they are sold big landlords replace small holders. The good purpose of the bank is thus completely lost when by its policy it indirectly helps big land holders.

Recent Debt Legislation.*—The economic depression of 1939 gravely affected the repaying capacity of the agriculturists. Prices of agricultural produce fell and the real burden of the debts increased. The

* The bearing of recent Debt Legislation on the Co-operative Movement is thus summarised by the Agricultural Credit Department of the Reserve Bank of India in their 'Review of the Co-operative Movement in India, 1939-40.'

"It may perhaps be useful, at this stage, to make a somewhat fuller reference to the bearing of debt legislation on the co-operative movement. Co-operative debts have been given a privileged position under most of the measures passed by the provincial legislatures for the reduction of rural indebtedness. In the Punjab, co-operative debts cannot be touched by conciliation boards while in the Central Provinces and Berar, Madras, Assam and Bengal, no settlement can be valid without the previous written approval of the Registrar, whereas in Madras, the provisions of the Agriculturists' Relief Act, 1938, do not apply to co-operative debts. The reasons for special treatment of co-operative debts are readily apparent; co-operative societies generally maintain regular accounts which are audited, their operations are under the general supervision of provincial governments through their Co-operative Departments, they are not profit-making institutions or alien credit bodies, and as their advances often come out of the common funds of members, substantial concessions to some members might be to the detriment of the other members. On the other hand, the reduction of co-operative debts also appears necessary inasmuch as the writing off of many bad debts which give a bloated appearance to the assets of societies would only be a recognition of reality and would make their nominal statement of affairs a more accurate representation of facts; besides, a workable scheme of repayment of the conciliated debt based on repaying capacity could best be framed if the problem of a person's debt, including co-operative debt, were dealt with as a whole. However, the working of societies has been adversely affected, in general, in spite of their preferential treatment because in many provinces a member owing a debt to his society can file an application before the conciliation board and suspend payment of instalments until the award is made by the Board and approved by the Registrar, thereby directly freezing the funds of the society irrespective of the ultimate outcome of the application. Large amounts of co-operative funds have thus been locked up, and the difficult process of unfreezing them is hindered by wilful default and the disinclination towards debt repayment which has proved infectious and which is not enlightened by a due sense of discrimination between co-operative and other debts.

While these factors added to the difficulties of the co-operative movement, they contributed to the contraction of credit already referred to, which entailed a compulsory curtailment of the unproductive as well as productive expenditure of the agriculturist; the reduction of the latter had deleterious effects on the efficiency of agriculture in certain areas, but the cut in the former showed that the real needs of the cultivator for credit were smaller than they had been imagined by many people."

Reference may also be made to the Madras Agency Debt Bondage Abolition Regulation, 1940 (Madras Regulation No. III of 1940) which abolishes debt bondage and makes agreements for labour in discharge of debts wholly void.

—General Editor.

money-lenders sought the aid of law courts to force the sales of the lands of debtors. The dangerous prospect of the emergence of a landless peasantry became imminent. Provincial governments had to devise ways and means to lessen the debt burden of the agriculturists and an enormous amount of debt legislation during the decade of 1930-40 became accordingly inevitable.

The triple objectives of the Provincial Debt Relief Legislation can be summarised as follows:—

- (a) Provision of relief to the cultivators by scaling down and lightening the crushing burden of the standing debt.
- (b) Regulation of the money-lending business and creation of systematised rural financial agencies.
- (c) Provision of safeguards for the protection of the person and property of the debtor against undue exploitation by the creditors.

Short-term Legislation.—To give immediate and speedy relief to the agriculturists three kinds of legislation were enacted:—

- (a) Moratorium laws.
- (b) Measures to reduce the burden of the interest liabilities.
- (c) Measures to scale down the principal of the debt and to devise convenient methods of repayment.

(a) *Moratorium Laws.* The catastrophic fall in prices disabled the debtors from honouring their obligations. The money-lenders rushed to the courts of law and wanted to "take their pound of flesh in land." There was the immediate danger of the lands being sold up to the creditors. To check the immediate execution of the proceedings for the sale of lands and to give some relief to the agriculturist until the enactment of comprehensive debt legislation, Moratorium Laws were passed in different provinces.

The United Provinces Temporary Regulation of Execution Act, 1934 was enacted with a view to stay the execution of proceedings against judgment debtors. The Act also said that the debt could be paid off in instalments. In 1937, the Congress Ministry provided for the postponement of proceedings against agriculturists who paid as land revenue less than Rs. 1,000 and who were not assessed to income tax. Those whose land revenue payments exceeded Rs. 250 could get execution proceedings stayed only by depositing one-fifth of the amounts for which the decrees were executed. Another benefit conferred by the Act was that agricultural debtors who were sent to prison for non-payment of the debts were released.

The Madras Government contemplated the passing of a Moratorium Bill in 1937, but it was withdrawn due to the introduction of the Debt Relief Bill. In the Debt Relief Act there were provisions to revise the judgments arrived at in the cases of agriculturist debtors during the period between the withdrawal of the Moratorium Bill and the passing of the Debt Relief Bill. In Bombay the Small Holders Temporary Relief Act protected the agriculturists who owned only 6 acres of irrigated land or 19 acres of un-irrigated land. In Central Provinces also debt legislation on the lines of the Bombay Act was passed.

(b) *Measures to reduce the burden of interest liabilities.*—After protecting the agriculturist debtor from losing his lands by their sale for debt, measures were undertaken to scale down the accumulated burden of interest.

Almost all provinces amended the Usurious Loans Act of 1918. The following table gives the amendments to Usurious Loans Act passed in several provinces and the rate of interest deemed usurious:—

	Simple secured interest per cent	Loans compound interest per cent	Unsecured simple interest per cent	Loans compound interest per cent
Madras Debtors' Protection Act, 1934 (Sec. 6A)	9	..	15	
Punjab Relief of Indebtedness Act, 1934 (Sec. 5)	12	9 with annual rests	18¾	14% with annual rests
The Central Provinces Usurious Act, 1934	12	10	18	..
The United Provinces Usurious Loans Act, 1934 (3)	12	..	24	..
The Bengal Money-Lenders' Act, 1933 (Sec. 4)	15	10	25	10
The Bihar Money-Lenders' Act 1938 (Sec. 9)	9	..	12	..
The Orissa Money-Lenders' Bill, 1938 (Sec. 9)	9	..	12	..
The Bombay Money-Lenders' Bill, 1938 (Sec. 29)	9	..	12	..
The Bengal Money-Lenders' Bill, 1938 (Sec. 29)				
(cash loans)	9	..	15	..
(kind loans)	15	..	25	..
The Assam Money-Lenders' Act 1934 (Sec. 8)	12½	..	18¾	..
The Assam Money-Lenders' Amendment Bill, Dec. 1937	9½	..	12½	..

From "Provincial Debt Legislation in relation to Rural Credit" by N. G. Abhyankar, M.Sc. (Econ.), (London).

The United Provinces, Central Provinces, Bombay, and Madras prescribed special rates at which interest was to be calculated on depression and pre-depression loans. The Agricultural Relief Act of United Provinces (1934) provided that from 1st January 1930 to a date fixed by the Local Government, the rate of interest charged on debts can only exceed the rate at which the local government can borrow from the Central Government by a certain percentage prescribed by the Local Government. Later in the United Provinces the Agricultural Debt Redemption Bill of 1939 provided that courts of law should grant interest at the rate of $4\frac{1}{2}$ percent for secured loans and 6 percent for unsecured loans.

The Bengal Money-Lenders' Bill of 1938 provides for the calculation of interest rate at 8 percent for secured and 10 percent for unsecured loans. In Central Provinces the Central Provinces Relief of Indebtedness Act of 1938 authorises the reconsideration of the transactions made 12 years before the last transaction or before 1st January 1932, whichever was earlier, at the following rates:—

Compound interest	5 percent
Simple interest secured	7 percent
unsecured	10 percent

Bombay Agricultural Debtors' Relief Act of 1939 provided for the reduction of the interest burden in three ways:—

(1) "The Debt Relief Boards were authorised to allow interest at 12 percent per annum, simple interest, on debts contracted before 1st January 1931.

(2) "The interest calculated in this way and found due on 1st January 1931 was to be reduced by 40 percent if the loan was contracted before 1st January 1931 and by 30 percent if it was contracted between 1st January 1930 and 1st January 1931.

(3) "Interest was allowed to be calculated at 9 percent per annum simple interest or agreed rate whichever is lower after 1st January 1932 till the date of the application for relief."

The Madras Agriculturists Relief Act made the following provisions for scaling down debt:—

(1) All arrears of debt incurred by the agriculturists in so far as they were outstanding on 1st October, 1937, were cancelled.

(2) Interest rate on past loans was fixed at 5 per cent between October, 1937 and the date of the enactment of the Act and any excess amount paid was credited to the repayment of the principal.

(3) The Courts of law were directed to grant interest rate not higher than $6\frac{1}{4}$ percent per annum, simple interest, on all transactions made after the commencement of the Act.

Another method by which the Provincial Governments tried to reduce the payments towards accumulated interest was by adopting the principle of Damdupat. Bengal (1933), United Provinces (1934), Madras and Bihar (1938) and Bombay and Sind (1938) adopted this

principle. In Madras, under the principle of Damdupat a debtor need not pay anything towards the debt if he has paid twice the principal of the loan, whereas in some other provinces payment of a sum greater than the principal towards the arrears of interest is prohibited.

(c) *Measures to scale down the principal of the loan:* (1) *Debt Conciliation Machinery.* Debt Conciliation Acts were passed in five provinces: Assam, Central Provinces, Madras, Bengal, and the Punjab. Under the Acts, Provincial Governments were authorised to set up Conciliation Boards. The Boards consisted of not less than 3 and not more than 12 members. The method followed by the Boards was to adjust the available assets of the debtors to the total dues owed to the creditors who were agreeable to an amicable settlement and the amount settled was to be paid up in about 20 or 25 instalments.

Certain disabilities were imposed on creditors who refused to abide by the decisions of the Boards. In such cases the debtor is granted a certificate and the court of law is authorised to disallow costs and award an interest rate not higher than 6 percent. The creditors who accept the settlement of the Boards are given a priority in the recovery of moneys. These disabilities were intended to force the creditors to accept the decision of the Debt Conciliation Board.

The Punjab Debt Conciliation Act of 1934, the Bengal Agricultural Debtors Act of 1935, the Assam Debt Conciliation Act of 1935, the Madras Debt Conciliation Act of 1936, the Sind Debt Conciliation Bill of 1939 adopted more or less the same principles and methods.

(2) *Compulsory scaling down of the principal of the loan.*—Though the scaling down of debts is done by the Conciliation Board the compulsory scaling down of the principal was found to be necessary and provided for by the legislation in Bombay, Central Provinces and United Provinces. The main object of the provisions was to cut down the principal in the light of the fall in price.

(3) *Miscellaneous measures:* (a) *The principle of terminable mortgage.*—This principle was enforced in the Punjab, United Provinces and Bengal. According to this, the land of a mortgagor should be returned to him without any obligation on his part after a period of 15 to 20 years, whether he paid the debt in full or not.

(b) Some of the provincial enactments have authorised the courts of law to fix a fair sale price for lands sold in the enforcement of decrees against agricultural debtors. This has been done by the United Provinces Regulation of Sales Act of 1934, the United Provinces Agricultural Debt Redemption Bill, 1939 and the Bihar Money-Lenders' Act, 1938.

(c) The Provincial Insolvency Act of 1920 has been amended in some provinces for the benefit of agriculturist debtors. Under the Bengal Agricultural Debtors' Act of 1935 the agriculturists are declared insolvent if the debtors are unable to pay off the reduced amounts in 20 instalments. Then the lands of insolvent debtors are

sold out leaving but a portion of the property including a dwelling house for the insolvent debtor.

Long-term Legislation.—Apart from the immediate relief given to the agriculturists by the various short term enactments, there were other enactments to regulate money lending and protect the person and property of debtors.

Regulation of the money-lending business has been done by a three-fold measure :—

(i) *The Registration and Licensing of Money-Lenders.*—Usually the money-lender is defined as 'a person who advances loans as a matter of business.' In Madras and Bihar, pawn-brokers are brought within the definition of 'money-lender.' Licenses to money-lenders are granted on applying to the Registrar of Money-lenders and penalties are provided for carrying on transaction without obtaining the necessary licenses.

The Central Provinces Money-lenders Amendment Act of 1936 required every money-lender to register himself and obtain a registration certificate. The non-obtaining of the registration certificate is treated as an offence punishable by a fine of Rs. 50 for the first offence and Rs. 100 for subsequent offences. The Punjab Registration of Money-Lenders Act, 1938 denies the benefit of the legal machinery of the State to money-lenders who do not possess a license for the recovery of their dues from their debtors.

The Bihar Money-Lenders Act III of 1938 was drafted on the model of the Punjab Act. The Bengal Money-Lenders' Bill, 1938 provides for the registration and licensing of money-lenders. The money-lenders who do not take out licenses are penalised by a forfeiture of the right to sue in courts of law. The fine for failing to take out a license is Rs. 15 (thrice the license fee). The United Provinces Money-Lenders' Bill, 1939 is similar in effect to the Punjab Bill; but it empowers the individual to lodge a complaint against the evil practices of a money-lender on depositing a given sum in the court of law.

The Bombay Money-Lenders' Bill, 1938 provides for the registration and licensing of money-lenders. Money-lending without license has been made an offence.

(ii) *Regulation of Accounts.*—To check the evil practices of money-lenders, the maintenance of accounts has been made compulsory. The Punjab Regulation of Accounts Act, 1930 made stringent rules for the maintenance of clear and separate accounts, for the sending of annual statement of accounts to debtors and for giving receipts for repayments. In case of non-compliance with these provisions, courts of law were empowered to disallow the costs and interest due on suits brought by the money-lenders.

(iii) *Regulation of Interest.*—Drastic measures were undertaken to reduce interest rates by amending the Usurious Loans Act. The

Bengal Money-Lenders' Bill, 1939, provides that entering an amount larger than the sum actually advanced would be treated as an offence punishable by six months imprisonment or a fine of Rs. 1,000. The United Provinces Bill of 1939 made similar provisions.

The measures adopted to safeguard the property and person of the debtor from exploitation by the creditors are: (1) the provision for the exemption of a given portion of the property of the debtor from attachment and sale, and (2) the protection of the debtor from intimidation and molestation.

The Central Provinces Debtors' Protection Act, 1937, the Bombay Money-Lenders' Bill, 1939 and the United Provinces Money-Lenders' Bill, 1939 punished money-lenders by 3 months' imprisonment or a fine of Rs. 500 if they molested their debtors. The Bengal Money-Lenders' Bill, 1939, lays down a penalty of one year's imprisonment or a fine of Rs. 1,000 for a similar offence. The Punjab Debtors' Protection Act, 1935, the Bengal Debtors' Protection Act, 1936 and the Bombay Money-Lenders' Bill, 1939 contain provisions for the protection of the debtors' properties.

Critique.—The numerous debt relief acts have led to the shrinkage of credit in the rural areas. The agriculturists are greatly handicapped by the decrease in credit facilities. The erstwhile favourable money-lenders have become disinclined to support the agriculturists because their transactions with agricultural creditors have been considerably restricted by the Acts pertaining to agricultural debtors. The only source of obtaining credit has been practically closed and the agriculturist may be said to be now without rudder or compass. It is said that lack of adequate credit facilities have not told upon the amount of land cultivated. "For genuine agricultural purposes financial accommodation, though difficult, is reported to be not totally non-existent. For this reason, there has been no fall in the area under cultivation." In any case, to minimise the hardships caused by the lack of adequate credit facilities, the Government should undertake certain remedial measures. The Government should encourage the establishment of co-operative societies to extend the activities of agriculturists and give them short-term credit. Agricultural Corporations with large capital partly paid by the provincial government and partly by the public must be started and these should advance short-term loans to agriculturists for cultivation or marketing on the security of the standing crop of annual produce. A net work of branches of the Agricultural Corporation should be opened to make it easily accessible to all. Caution is to be taken to serve areas not served by a co-operative society or a licensed money-lender.

The provincial governments must not directly or indirectly create in the agriculturists a feeling of disregard towards their obligations to their lawfully contracted debts. Frequent interference of the Government in the affairs of the cultivator may just induce him to disrespect his obligations. Serious breaches of morality in credit tran-

sactions should be checked by a strict enforcement of rules to recover debts that are settled.

Proper care of the agriculturists and the welfare of those engaged in agriculture must be a matter of national concern. Legislation to scale down the agriculturists' debts will go a long way to assure the landed property of agriculturists. A blot on the debt legislation in different provinces is that it has not provided for the repayment of scaled down debts. If the scaled down debts are to be repaid in a number of instalments the peasants will be immensely benefitted. The Conciliation Boards set up in different provinces should fix the number of instalments in which the whole scaled-down debt can be repaid.

"Some of the causes of poverty of the Indian agriculturist are the low yielding capacity of the land, the steep fall in prices and the heavy incidence of land tax." To arrest the steep fall in prices the currency must be revalued, even though it may affect the stability of the central finances. The burden of land tax also should be lessened by the introduction of reforms in taxation. A drastic reduction of land revenue and the introduction of agricultural income-tax will not only give the provincial governments elastic revenues but also relieve the small agriculturists of the heavy tax burden.

If the appalling poverty of the agriculturists is to be completely wiped out of the country, measures to increase the yield of the land should be popularised. Better methods of farming and the economy of better implements should be made known to the agriculturists by lectures and the use of lantern slides. Minor irrigation works should be undertaken throughout the presidency to give the agriculturists more irrigational facilities. Fragmentation and sub-division of holdings retard agricultural development and land consolidation societies should be formed to bring about consolidation of small holdings. Subsidiary industries will reduce the pressure upon land and increase family incomes. Cottage industries will be effective in combating the inevitable seasonal unemployment of agriculturists. The best results of such reforms can be realised only if proper marketing facilities are offered to the farmers.

The agriculturist in the country should be made aware of the immense value of 'Co-operative Farming.' Co-operative Societies can be started to purchase the rights of cultivation of farmers on long-term leases. This will offer much scope for scientific cultivation. The farmers can be employed as agricultural labourers and they can be paid partly in cash every month and partly in kind during the harvest. The problem of providing housing accommodation for the peasants can also be successfully tackled by such societies. If such a scheme succeeds, cultivators can dispense with the necessity of borrowing for agricultural purposes.

To save the agriculturists from the clutches of money-lenders, we must inculcate in them thrifty habits. False notions about standards

of superiority and status now current among cultivators should receive new orientation. In short, they should be rescued from the tyranny of custom. For this, societies of the type of "Better-living Co-operative Societies" found in the Punjab should be started all over the country. Better living societies have done yeoman service in bringing about a reduction of expenses on marriage and other social ceremonies.

It will thus be seen that the problem of rural indebtedness cannot altogether be solved by a single remedy, *viz.*, debt-legislation. The need for initiating a many-sided policy in which debt-relief measures will merely supplement measures to promote "better-living" habits of thrift and a better system of production and distribution, is great and emergent.

*"His speech is mortgaged bedding,
On his kine he borrows yet,
At his heart is his daughter's wedding,
In his eyes fore-knowledge of debt.
He eats and hath indigestion,
He toils and he may not stop,
His life is a long drawn question,
Between a crop and a crop."*

—KIPLING.

THE ALL-INDIA VILLAGE INDUSTRIES ASSOCIATION

ITS SPHERE AND WORK

By

J. C. KUMARAPPA

The plan of work of the All India Village Industries Association is not an isolated programme. It is a flank of Gandhiji's non-violent army, encompassing the citadel of hatred and untruth. If the campaign succeeds a society based on love and truth will be ushered in. Unless we keep this background in view we shall not be able to appreciate fully the line of attack. From this point of view the mere co-ordinating of the country's resources to obtain the largest material return is not the only objective. There are much greater issues at stake.

Distribution.—In a non-violent society the well-being of the country is measured by the well-being of the masses. Therefore, our emphasis will be on distribution of wealth and not on accumulation of wealth.

The wealth of a nation consists not in the possession of a few, but in the extent to which the great majority can satisfy their daily wants, especially needs. Looked at from this point of view, increase in the number of millionaires in a country need not indicate increase in the prosperity of the nation. Indeed, it may indicate the opposite if the accumulated wealth was occasioned by restricted distribution. When judging the well-being of a nation the consideration should be centred round the way in which purchasing power is distributed among the citizens. If we adopt this criterion, then industries which distribute wealth are better for the masses than industries that help a few to accumulate a great store of riches. This means that mills, which being centralised, assist in accumulating wealth, are detrimental to the interest of the masses; and cottage industries, which distribute wealth, are by far the better method to adopt, especially in our country, where we are faced, not with a shortage of labour but of capital. Therefore, the method of economic organisation we choose must be one taking this factor into consideration.

It is with these ideals that the A.I.S.A. and the A.I.V.I.A. have begun working. In large scale industries prices are fixed by outside considerations. After meeting overhead charges the management tries to squeeze the wages down to swell the profits. Usually, the labour cost is comparatively low compared with the cost of other items. But with us, labour being the one item the people can contribute liberally, we follow a method of production which uses this factor

most. Hence, our object is to include as large a share of labour cost as is possible, and so the price of village production is made up largely of labour cost. In other words, we distribute wealth as we produce it.

Industries Selected.—Having decided on the course to be pursued, we have chosen industries with a view to supply the needs of the masses rather than to obtain the largest returns. The necessities being food, clothing, and shelter, we have started to work on paddy husking, flour grinding, gur making, oil pressing, honey production, soap making, cloth production, leather tanning, etc.

We have been studying the diet of the people and advocating the needed reforms. Many of these cottage industries have been languishing for lack of knowledge. They have needed experiments and improved implements. This has been our special sphere.

Although agriculture is the base of all industries, we have not taken it up as it requires a considerable amount of special help in the form of State power to tackle it.

We feel a good deal of co-operation between the villagers is needed to help themselves. A non-violent society must have a better machinery for distributing the products.

All our buildings at our headquarters are constructed with a view to finding a suitable form which will be both economic and healthy. As our people have little or no capital, such assets have to be provided and maintained out of revenue. The houses should be capable of being built with their own labour and maintained by themselves. A house built by skilled labour needs capital to construct it and to maintain it. This will not be within the reach of our villagers. Hence we use split bamboo platted together and plastered over with mud. The roof can be of thatching or tiles. Our scale for such a house is 8 annas per square foot covered. Even this is beyond the present financial resources of our villagers.

We are trying to perform the function that should normally fall to a State—to carry on researches and teach artisans. Naturally, as our resources are limited, we cannot cover all industries. We have taken up only the basic ones at the Headquarters.

Dissemination of Information.—To bring the available knowledge to the people, exhibitions are organised. These emphasise the production rather than the consumption side. Books are published on the results of our experiments to carry the available information to the literate. The periodicals, the *Gram Udyog Patrika* and *Khadi Jagat*, deal with our findings from time to time.

Consumers.—A society based on non-violence will be regulated by the sense of duty of its citizens. Morally, business transactions do not begin and end with the transfer of goods and the paying of money. One who buys goods takes it with all the moral values attached to the

article. If we buy a stolen watch, however cheaply we may have got it, we are heirs to that guilt. Similarly, if we buy goods for the production of which adequate wages, etc., have not been paid we become parties to such injustice. Therefore, where higher prices are the result of paying a subsistence wage, such higher prices are desirable. Till now markets were said to be controlled by prices, but our Associations have made a bold bid to fix prices not from the top but from the bottom, starting from a subsistence wage.

Minimum Wage.—With a view to guaranteeing the conditions of production and the return to the producers, our Associations have laid down a certain scale of wages for given output so as to yield a living wage to a worker.

Ahimsic Swadeshi.—A consumer who is conscious of his duties will obtain his needs only from sources for which he is prepared to shoulder the responsibility. Farther afield he goes for his goods the more difficult will it be for him to be sure of his grounds. These are his limitations. Accordingly, he has to buy from his near neighbours. This is moral swadeshi. Political swadeshi, where one boycotts an article simply because it comes from beyond one's political boundary, is based on hatred. But the moral swadeshi is circumscribed, not by political or geographical boundaries, but by one's own inability to satisfy oneself as to the conditions of production of the goods.

Employment.—Following close on this is the question of employment. When we buy Japanese celluloid combs we direct employment to such industries in Japan, but if we buy horn combs made by Harijans in Cuttack then we direct employment to these people. Therefore, a discriminating buyer creates employment for those around him.

Resourcefulness.—Capitalistic production studies every detail of the consumers' wants. This is essential in a system of production where the supply comes into existence in advance of the demand, and often creates the demand after bringing the supply into being. Good as this may be, it is destructive of the resourcefulness of the consumer. He satisfies himself with what is available. Village industries depend on bespoke custom, which entails the demand should be specific. A man's foot is measured and its shape taken before a shoe is made. Here the customer can be fastidious and such demand to meet exactly the needs of the consumer makes for good workmanship and resourcefulness. It affords opportunities for the creative faculties in the consumer also to express itself, and develops and leads to self-reliance and resourcefulness.

Production.—It has already been mentioned that we do not undertake to produce, but confine ourselves to research, experimentation and teaching. We are, however, attempting to set up a few workers, who have attained a certain amount of skill in the course of our experimental work. We provide the implements and raw materials and market their production. From the finished goods we deduct the cost

of materials and a small instalment towards the payment of the equipment. In the case of oil pressing, we get the villagers to stock their own seeds and get them crushed from time to time, paying the oil presser a fee for each charge of seeds. In this way a certain amount of co-operation is needed to solve their financial requirements. Even these arrangements are in the infant stages and we cannot pronounce definitely yet on their merits. We are to some extent trying to modify and adapt the system in vogue with the Mahajans.

Marketing.—We have not yet evolved any machinery for marketing the goods. At the moment, we have a few certified shops, which have undertaken to satisfy us as regards the purity of the goods and the conditions under which they are produced. They have also to see that our requirements in regard to the payment of minimum wages are adhered to in connection with all goods they sell.

Teaching.—As in financing, so in teaching also, we are trying to work out a modern system based on our old method of master workmen taking apprentices. At our Gram Sevak Vidyalaya we have a year's course in the elements of an industry, both theoretical and practical. This is a kind of matriculation, open to youths above the age of 21. Then they can attach themselves to a recognised producing centre for a year and then take the artisans certificate. After that, another year of work and a written thesis will obtain a kind of graduation. Anyone who has so graduated, if he carries on research in a field chosen by him for two years, qualifies for a degree to teach the subject—somewhat on a par with a doctorate.

General Remarks.—This account gives a bare sketch of the lines on which we are working. Though we have been in existence for nearly seven years we had to grope our way to some definite method of work and so we are yet in the beginnings of things. We publish an account of our doings each year in our annual report. Those readers who wish to follow our work in details may procure these and pursue the subject further.

So far we have thought too much about the machine as an aid to large-scale production, and too little about it as the ally of small-scale production, of craftsmanship, work with an individual flavour. This was inevitable with steam power; but now we have electricity, which is power that can be laid on like gas and water, it is time that we remembered that man is a craftsman as well as a manufacturer.

—J. B. PRIESTLEY,

THE ECONOMICS OF KHADDER

By

DR. B. PATTABHI SITARAMAYYA

The best economics in the world must, to endure, be rooted in ethics. This may appear to be a somewhat cranky view. But when we recognize that Economics is the science and art of living of a community, that science would not be scientific nor that art artistic, if they involved the destruction of our neighbours. The latter would be a tragedy which must engulf ourselves one day, for 'we destroy our neighbour' means that our neighbour destroys us too, the fact being that we are neighbours to one another. The best test of the ethical principle lies, therefore, in the doctrine not merely of "live and let live" but in the still more human doctrine that we should 'live and help others to live,'—not merely let them live.

Let us view the same problem from a purely economic standpoint. No industry can make for the good of the community unless the sale proceeds of its products are brought back to the buyer. We shall give an example. The schoolmaster writes letters and maintains a post office. The postmaster buys cloth and maintains the weaver. The weaver drinks milk and maintains the shepherd. The shepherd buys pots and feeds the potter. The potter wears shoes and helps the cobbler. The cobbler buys tools and sustains the smith. The smith builds a house and engages the carpenter and the mason. All these buy provisions from the grocer and feed him. The grocer buys agricultural products and maintains the peasant. The peasant educates his boys and feeds the schoolmaster. Thus is established a circle which revolves again and again in ever widening peripheries.

If therefore the best economics is rooted in the best ethics, need it be said that each buyer must mind his nearest neighbour. It was thus that our villages were made self-contained by those that had planned them ages ago. What do we do now? We buy our needs from abroad and starve our neighbours. And if we starve others' sons, others are starving our sons. The two are the obverse and the reverse of the coin. What sort of Economics is it which starves the familiar old woman next to us and feeds and fattens the millionaire thousands of miles away? When a mill cloth is bought 33 per cent of the price goes to the wage-earner and 67 per cent to the mill-owner for himself and his raw material and machinery. When Khadder is bought 67 per cent goes to the wage-earner and the rest for overhead charges and raw material. Which serves the larger good of the nation? Which constitutes better Economics, pray?

Industrialisation is a subject and a system that are talked of much indeed. But the age for it is gone. That age is gone when one nation made another the hewer of wood and drawer of water, when India, China, Persia, Arabia, Syria, Palestine, Iraq, Egypt, and Afghanistan consented to feed and enrich Britain. They must now feed themselves and that means the starvation of Britain. It may be that Britain will found new Empires, but even those new victims will wake up one day and save themselves. Therefore the best Economics should be the most honourable, the most humane, and the most ethical economics.

Some friends are inclined to prove Khadder to the doubters by citing war experience and the dearth of mill yarn. That is a temporary phase. At the end of the war, Imperialism and Capitalism, machinery and mills, will be merciless. The stroke of compensation will fall upon the heads of spinners with a thud. To the weaver the war emergency may give passing relief, but if the weaver's economics is not based upon the sound principle of the buyers' money going out by the front door and coming back to him by the back gate, he will have to rue his fate and his Economics at the end of the war. The mill-owners who have helped in the war will clamour for concessions and rebates, tariffs and quotas, and having secured their interests, will raise the price of yarn. The supply of yarn of the handspinner, not the mill spinner, it is that he must depend upon so that there may be absolute permanence about it. India when clothed in khadder would find occupation for 12 crores of spinners and three to four crores of weavers' family members. The Economics of khadder would be to make the poor less poor—give at least a half meal to the starving, a *lungoti* to the naked, and a thatched shed to the houseless, and, in one word, do the largest measure of good to the largest number of people.

I do not know much about Tariff, but I do know this much ; when we buy goods abroad, we get the goods and the foreigners get the money; when we buy goods made at home, we get both the goods and the money.

—ABRAHAM LINCOLN.

INDIAN PROVINCIAL CO-OPERATIVE BANKS' ASSOCIATION

By

V. M. THAKORE,
Secretary.

Origin.—Most of the Provincial Co-operative Banks in British India were organised in the second decade of the present century and by the end of that decade had well established their credit and position in the areas they served. With the expansion of their resources and business the need of an organisation where the Apex Banks could discuss and decide common problems and policies and establish financial relations with each other to mutual advantage was increasingly felt. The B. & O. Provincial Co-operative Bank, Ltd., in the year 1925, stressed the need of a conference of the representatives of Apex Banks of British India and Indian States to explore ways of establishing closer contact between these Banks. This suggestion was readily accepted and on its being welcomed in responsible quarters a joint invitation from the Bombay Provincial Co-operative Bank and the Bihar and Orissa Provincial Co-operative Bank, for a gathering of the representatives of Apex Banks to be held at Bombay soon after the conference of the Registrars of Co-operative Societies, was issued in December 1925.

The First All-India Provincial Banks' Conference.—As a result of the joint invitation issued by the Bombay Provincial Co-operative Bank and the B. & O. Provincial Co-operative Bank the first conference of the Provincial Banks of British India and Indian States was held in the Sir Vithaldas D. Thakersey Memorial Hall at Bombay on the 15th and 16th January, 1926. It was attended by the representatives of all the Apex Banks of British India, except Burma, and many of the major Indian States. The Conference was assisted in its deliberations by the Registrars of Co-operative Societies of the Punjab, Bombay, C. P. and Berar, Madras, Bengal, U.P., Bihar and Orissa, Assam, Burma, and Coorg in British India, and the Registrars of Baroda, Mysore, Ajmer, Indore, Fyzabad, and Patiala; the Hon'ble Sir C. V. Mehta, Revenue Member, as well as the Hon'ble Sir Ghulam Hussain Hidayatulla, Minister, and the Hon'ble Mr. A. M. K. Dehlvi, Minister in charge of Co-operation of Bombay Government and the Hon'ble Molvi Syed Mohammad Saadullah, Minister of Assam were also present. The Conference was presided over by the late Sir Lallubhai Samaldas, Kt., C.I.E., to whom the co-operative movement in India owes an unforgettable debt of gratitude for his long and extensively valuable services. Mr. B. F. Madan, Chairman of the Bombay Provincial Co-operative Bank, and Rai Bahadur Mihir Nath Roy, Managing Director of the B. & O.

Provincial Co-operative Bank, welcomed the delegates on behalf of the Banks which invited the conference.

Mr. B. F. Madan and Rai Bahadur Mihir Nath Roy, both in their welcome speeches, explained the reasons for the conference and the necessity of an organisation of Apex Co-operative Banks of British India and Indian States for discussion of common subjects affecting them all and with a view to bring them into closer touch with each other to mutual advantage. The President, Sir Lallubhai Samaldas, also stressed the need of such an association in his Address. After the conference it was decided to hold periodical conferences of the Apex Co-operative Banks at different places and to establish an Association of the Indian Provincial Banks with a Standing Committee including one representative of each of the member banks. Mr. V. C. Rangaswami, Secretary of the Madras Provincial Co-operative Bank was elected Secretary of the proposed Association and charged with the duty of framing a suitable constitution for the Association of the Indian Provincial Banks. The preliminary draft of the constitution was prepared by Mr. V. C. Rangaswami in consultation with member banks and after approval adopted by circulation. The constitution was subsequently modified at the fourth Conference of Provincial Banks at Bangalore.

CONSTITUTION

Membership.—According to its constitution only the Provincial Co-operative Banks of British India and Indian States are eligible for the membership of the Association. Where no Provincial Bank exists the Apex financing institution of the Province in British India or Indian State is admitted as a member. The following are the members of the Association :—

1. The Bengal Provincial Co-operative Bank, Calcutta.
2. The Madras Provincial Co-operative Bank, Madras.
3. The Madras Co-operative Central Land Mortgage Bank, Madras
4. The Bombay Provincial Co-operative Bank, Bombay.
5. The Bihar Provincial Co-operative Bank, Patna.
6. The Central Provinces & Berar Provincial Co-operative Bank, Nagpur.
7. The Punjab Provincial Co-operative Bank, Lahore.
8. The Sind Provincial Co-operative Bank, Karachi.
9. The Trivandrum Central Co-operative Bank, Trivandrum.
10. The Mysore Provincial Co-operative Apex Bank, Mysore.
11. The Hyderabad Co-operative Dominion Bank, Hyderabad.
12. The Indore Premier Co-operative Bank, Indore.

Subscription.—Member Banks with a paid up share capital of Rs. 2 lacs and under are required to pay an annual subscription of Rs. 50, while member Banks with a paid up share capital of over Rs. 2 lacs but

below Rs. 5 lakhs are required to pay an annual subscription of Rs. 100. Member Banks with a paid up share capital of over Rs. 5 lacs pay an annual subscription of Rs. 150 per annum. Most of the Provincial Banks in British India have a paid-up share capital of over Rs. 5 lacs and pay annual subscription at the maximum rate. The subscription is payable in advance every year and has so far been received in time.

Objects.—The Objects of the Association are:—

(a) Protection, furtherance and representation of common interests specially in matters of finance, legislation and administration.

(b) Development, strengthening and improvement of the member Banks.

(c) Advising and assisting the members in all co-operative, financial and economic matters.

(d) Convening of periodical conferences of the members of the Association.

(e) Taking of such steps as would promote the above objects.

(f) Collection of funds that will be necessary for the above purposes.

(g) Generally to work for the common good of all members.

Rights and Obligations of members.—The members of the Association are entitled to:

(a) Take part in the general meeting and the periodical conferences.

(b) Make use of the institutions established by the Association.

(c) To receive all reports and publications of the Association.

The authorities and office bearers of the Association.—The authorities of the Association are:—

(1) The General Body and

(2) The Standing Committee

(1) The General Body of the Association consists of the representatives of the member Banks and of the Secretary of the Association, when he is not otherwise a member of the General Body. Each member Bank is entitled to be represented by not more than 2 delegates at the meeting of the General Body and each member Bank is entitled to one vote to be recorded as a joint vote of the representatives. If the two delegates of a member bank are divided the vote of the Bank is not counted.

(2) The Standing Committee consists of the President and the Secretary who are ex-officio members and of one representative of each of the member Banks nominated by the member Bank concerned from its delegates sent to the General Body.

Organs of the Association.—The organs of the Association are the periodical conferences, the General Body and the Standing Committee,

Office-bearers.—The office-bearers consist of a President, a Vice-President who is to preside at meetings of the General Body and the Standing Committee in the absence of the President and one Honorary Secretary who may or may not be a member of the General Body. The office-bearers are elected at the conference.

Business of the General Body :—

- (a) To elect the President and the Secretary of the Association.
- (b) To consider the reports and accounts of the Association
- (c) To decide upon, add and alter or amend these rules.

The President and the Secretary of the Association hold office ordinarily till their successors are elected and enter upon their office.

Duties of the Standing Committee.—The Standing Committee has the following among other powers:

- (1) To convene General Meetings of the Association and prepare agenda for such meetings.
- (2) To take action on the resolutions and decisions of General Meetings.
- (3) To furnish an annual report of its work and audited statements of accounts.
- (4) To take decisions by means of correspondence or circulation of papers where necessary.
- (5) Generally to carry on the business and administration of the Association for the furtherance of the objects of the Association.

Conferences.—The periodical conferences convened by the Standing Committee are held at places, on dates and at times decided upon by the Standing Committee in advance. The conferences, however, are generally held jointly with the conferences of the All-India Co-operative Institutes' Association. The President of the conference of the Indian Provincial Co-operative Banks' Association is selected by the Secretary in consultation with the members of the Standing Committee of the Banks' Association. The President of the conference presides only at the conference and may be different from the President of the Indian Provincial Co-operative Banks' Association who presides at the meetings of the General Body of the Association and the meetings of the Standing Committee.

Nature and functions.—The Association is a deliberative, educative and advisory body. Its membership does not in any way interfere with the authority, organisation, and administration, of the member banks.

Registration of the Association.—The Association is not a registered body and the question of its registration has been engaging the attention of the authorities since its inception. As the headquarter of the Association shifts from place to place with the change in the Honorary Secretary and as the Indian Co-operative Societies Act II of 1912 does not provide for the registration of a co-operative society having an area of operation over the whole of British India and Indian States it has not so

far been found possible to register the Association as a co-operative society.

CONFERENCES

The First All-India Provincial Co-operative Banks' Conference.—

As reported before, the first conference of the Provincial Banks of British India and Indian States was held in Sir Vithaldas D. Thakarsey Memorial Hall at Bombay on the 15th and 16th January, 1926 with Sir Lallubhai Samaldas in the chair. All the Provincial Co-operative Banks of British India excluding Burma and a large number of the Apex Banks of Indian States were represented at the Conference.

The Second All-India Provincial Co-operative Banks' Conference.—

The second conference of Provincial Banks was held in the Committee Room at Gorton Castle, Simla on 26th and 27th September, 1928. This conference was presided over by the Hon'ble Mr. V. Ramadas Pantulu of Madras in welcoming whom the retiring President of the Indian Provincial Co-operative Banks' Association, Sir Lallubhai Samaldas, said that the services of Mr. Pantulu to the co-operative movement in India were so well-known both in connection with the Reserve Bank Bill and in sponsoring the propositions in regard to Mortgage Banks in the legislature that he needed no introduction from him. In accordance with the old constitution of the Indian Provincial Banks' Association the Hon'ble Mr. V. Ramadas Pantulu, as President of this Conference, became the President of the Association also. Although the notice of this conference was short and the delegates had to make their own arrangements for their stay in the hill station at the time the Government of India was holding its offices the attendance was satisfactory. Delegates from 9 Apex Banks of British India and Indian States attended the conference, all the major provinces of British India being represented including 2 Indian States. The Registrars of Bombay, Madras, B. & O. and C. P. and Berar as well as the Registrar of Cochin were also present.

At the meeting of the General Body of the Indian Provincial Banks' Association held after the conference Mr. V. M. Thakore was elected Secretary of the Association.

Joint Conferences.—In April, 1931 the second All-India Co-operative Institutes' Conference was held at Hyderabad (Deccan) with Sir Lallubhai Samaldas, Kt., C.I.E., in the chair. At this Conference Sir Lallubhai Samaldas advocated the holding of one joint conference of the Provincial Banks, Institutes and the Registrars in the following words:—

"In 1926 the Directors of the Bombay Provincial Co-operative Bank in consultation with the other Provincial Banks decided to hold a conference of such banks and the first conference of Apex Banks was held in Bombay, soon after the Registrars' Conference. At the invitation of the promoters many of the Registrars attend the Banks' Conference. It was at that time that the question of co-ordination between the Institutes and Federations also was considered and as a result of prolonged deliberations a preliminary Institutes' Conference was held at Simla. Later on an Association for the co-ordination of the activities of these

institutes was established in September, 1929. We have thus three conferences held biennially or even triennially, two of these being held under the auspices of non-official workers, while one is held under the auspices of official workers with non-officials co-opted to work with them. As many of the co-operators in the country are connected with more than one side of the movement and as there is no sharp division between their activities, I am of opinion that we should have only one Association or one conference of all the three branches. The joint conference which we might call the Indian Co-operative Congress can have three departments, each holding its subjects committee meeting or sectional conference under its own chairman. The resolution of the Subjects Committees which affect the other activities should be submitted for consideration and adoption at the open session of the whole congress. If this suggestion of mine is accepted, there will be better co-ordination between the three branches of the movement and there will also be saving of time and energy of the workers and less strain on the resources of the movement. If this meets with your approval a resolution on the subject may be submitted to the conference."

The conference accordingly adopted the following resolution:—

"This conference is of opinion that separate All-India Conferences for the Provincial Co-operative Banks and the Provincial Co-operative Institutes are unnecessary and recommends that instead there should be only one conference, the All-India Co-operative Conference, to which the Provincial Governments and the Indian States should be invited to depute their Registrars of Co-operative Societies."

This practice has since been introduced and the Indian Provincial Co-operative Banks' and the All-India Co-operative Institutes' Conferences are held at the same place and time but under different chairmen, the chairman of the Provincial Banks' Conference being elected by the Standing Committee of the Indian Provincial Banks' Association for each conference separately and the President of the Indian Provincial Co-operative Banks' Association being elected at the meeting of the General Body of the Association held after the conference.

The Third Indian Provincial Co-operative Banks' Conference.—The third Indian Provincial Co-operative Banks' Conference was held jointly with the third conference of the All-India Co-operative Institutes' Association in the Town Hall at Amraoti on the 23rd, 24th and 25th June 1934. At this conference the name of the All-India Provincial Banks' Conference was changed to the Indian Provincial Banks' Conference. The Hon'ble Mr. V. Ramadas Pantulu, President of the Indian Provincial Co-operative Banks' Association welcomed the delegates and visitors and the conference was presided over by Rai Bahadur Mihir Nath Roy of Bihar. All the Provincial Banks of British India were represented at the conference and the Indian States of Hyderabad, Mysore, Indore, Baroda, Gwalior and Bhopal were also represented. Over 75 delegates and visitors were present at the conference including prominent co-operators of the country.

At the meeting of the General Body of the Indian Provincial Banks' Association held after the conference the Hon'ble Mr. V. Ramadas

Pantulu was re-elected President and Mr. V. M. Thakore re-elected Honorary Secretary of the Association.

The Fourth Indian Provincial Co-operative Banks' Conference.—

The fourth Indian Provincial Co-operative Banks' Conference was inaugurated by Sir Mirza M. Ismail, K.C.I.E., O.B.E., in the Sir Puttanna Chetty Town Hall at Bangalore. This conference was held jointly with the conference of the All-India Co-operative Institutes' Association on the 3rd and 4th July, 1937, at which messages from His Excellency the Viceroy of India and His Highness the Maharaja of Mysore were read. This conference was presided over by Mr. Jamshedji Nusserwanji Mehta of Sind and was attended by delegates from all the Provincial Co-operative Banks of British India and the Apex Co-operative Banks of the Indian States of Indore, Hyderabad, Cochin, Travancore and Mysore. The number of delegates and visitors at this conference exceeded 120. Mr. K. G. Ambegaonkar, I.C.S., Officer-in-charge, Agricultural Credit Department of the Reserve Bank of India also attended the conference. The Registrars of Madras, Punjab, Coorg, Mysore, Cochin and Gwalior were also present and a number of messages from prominent co-operators of the country were received.

At the meeting of the General Body of the Indian Provincial Banks' Association the Hon'ble Mr. V. Ramadas Pantulu was re-elected President of the Association and Mr. V. M. Thakore was re-elected Honorary Secretary.

Meetings of the Standing Committee of the All-India Provincial Co-operative Banks' Association.—During the past 15 years of its existence the Indian Provincial Co-operative Banks' Association has, due to various causes, been able to hold only 4 conferences, but during the interval between two conferences, meetings of the Standing Committee of the Association were held at least once a year. After the year 1931 all the meetings of the Standing Committee of the Indian Provincial Co-operative Banks' Association have been held jointly with the meetings of the Standing Committee of the All-India Co-operative Institutes' Association. All the four conferences as well as meetings of the Standing Committee of the Indian Provincial Co-operative Banks' Association are held as a rule at different places all over the country in order to convey the message of co-operation to different parts of the country and in order to enable the delegates to come in close touch with the problems and peculiarities of the movement in different parts.

"If the working of the two institutions (The Indian Provincial Co-operative Banks' Association and the All-India Co-operative Institutes' Association) is strengthened so as to make them serve as co-ordinating agencies in the matter of finance and research, we think that it will not be necessary to set up another All-India body, e.g., an All-India Co-operative Council with administrative or controlling functions as suggested by the foreign banking experts."

—The Indian Central Banking Enquiry Committee.

ALL-INDIA CO-OPERATIVE INSTITUTES' ASSOCIATION

ITS FUNCTIONS AND WORKING

By

KHAN MOHAMMAD BASHIR AHMAD KHAN, M.A., LL.B., M.R.A.S.
(LONDON),

Honorary Secretary

Origin.—The All-India Co-operative Institutes' Association was started in 1929.

Membership.—According to the constitution, Co-operative Institutes, Federations or Unions, registered under the All-India or the Provincial Co-operative Societies' Acts and having jurisdiction over the whole of a Province in British India or an Indian State, or a part of a Province in British India when no Provincial Co-operative Institute, Federation or Union exists shall be eligible for membership of the Association.

The following Co-operative Institutes are members of the Association :—

1. The Madras Provincial Co-operative Union, Luz, Mylapore, Madras.
2. The Andhra Provincial Co-operative Union, Rajahmundry, Madras Presidency.
3. The United Provinces Co-operative Union, Lucknow.
4. The Bengal Co-operative Alliance, Park Circus, Calcutta.
5. The Punjab Co-operative Union, Lahore.
6. The Bihar & Orissa Co-operative Federation, Patna.
7. The Surma Valley Co-operative Organisation Society, Sylhet, Assam.
8. The Bombay Provincial Co-operative Institute, 9, Bake-house Lane, Fort, Bombay.
9. The Central Provinces and Berar Co-operative Federation, Bilaspur, Central Provinces.
10. The Berar Co-operative Institute, Amraoti.
11. The Baroda State Co-operative Institute, Mandvi Road, Baroda.
12. The Hyderabad Central Co-operative Union, Hyderabad (Deccan).
13. The Indore Co-operative Central Association, Malgodown Road, Siyaganj, Indore.
14. The Travancore Co-operative Institute, Trivandrum, Travancore State.

15. The Cochin Central Co-operative Institute, Trichur, Cochin State.
16. The Mysore Co-operative Institute, Hardinge Road, Bangalore City.
17. The British Administered Areas Central Co-operative Union, Secunderabad, (Deccan)
18. The Coorg Central Co-operative Bank, Mercara, Coorg.
19. The Ajmer Central Co-operative Bank, Ajmer-Merwara, Ajmer.
20. The Kotah State Co-operative Bank, Kotah (Raj.).
21. The Jammu and Kashmir Provincial Co-operative Institute, Jammu, (Kashmir State).
22. The Shri Krishna Bank, Bharatpur.

Objects.—The objects of the Association are:—

- (1) to promote and extend co-operation through the member-institutes;
- (2) to safeguard and represent common interests particularly in matters of legislation and administration;
- (3) to convene All-India Co-operative Conferences periodically;
- (4) to give publicity to the decisions of the Conferences and to take necessary action thereon;
- (5) to publish an Indian Co-operative Year-Book, Journals, Memoirs, Bulletins, etc.;
- (6) to furnish advice and assistance to member-institutes on all co-operative, legal and economic questions on their requisition;
- (7) to collect and administer funds for the above purposes.

Organs.—The Organs of the Association are:—

- (a) The Conference, and
- (b) The Standing Committee.

Conference.—

(a) The Conference consists of representatives of the member-institutes elected on the basis of the number of co-operative societies affiliated to them, at the rate of one representative for every one thousand societies or a fraction thereof, subject to a maximum of 10. Where the Provincial Institute affiliates to it central societies also the number of primary societies affiliated to such central societies shall be deemed to have been affiliated to the Provincial Institute, for the purpose of such representation.

(b) The Standing Committee consists of one representative from each of the member-institute having a membership of less than 4,000 societies and two from each of the member-institutes having membership of 4,000 societies or more.

Office-bearers.—The office-bearers consist of a President, two Vice-Presidents and two Honorary Secretaries, one of whom is also

the Treasurer. The office-bearers are elected at the Conference, and are ex-officio members of the Standing Committee.

Subscription.—Each member-institute has to pay an annual subscription as under :—

Institutes having a membership of 500 or less than 500 societies to pay Rs. 25 per annum.

Institutes having a membership of more than 500 but less than 4,000 societies to pay Rs. 50 per annum.

Institutes having a membership of 4,000 societies or more to pay Rs. 100 per annum.

Nature of the Functions.—The Association is a deliberative and educative body and membership thereof does not in any way interfere with the autonomy, internal organisation and the administration of such member-institutes.

Administration.—The following are the present Office-bearers of the Association :—

President: The Hon'ble Mr. V. Ramadas Pantulu, B.A., B.L., (Madras).

Vice-Presidents: (1) Diwan Bahadur K. V. Brahma, B.A., LL.B., C.I.E., M.B.E., (Berar) and (2) Mr. S. K. Lahiri (Bengal).

Honorary Secretary and Treasurer: Khan Mohammad Bashir Ahmad Khan, M.A., LL.B., M.R.A.S., (London); (Punjab).

ALL-INDIA CO-OPERATIVE CONFERENCES

The First All-India Co-operative Conference.—The First All-India Co-operative Conference was organised at Simla in September, 1928. It was presided over by Sir Lallubhai Samaldas, C.I.E. It drafted a scheme for the constitution of the All-India Co-operative Association. This scheme was circulated to all Co-operative Institutions for opinion and suggestion. These opinions and suggestions were considered at the adjourned Session of the Conference held at Bombay in September, 1929. The final Constitution was approved by this Conference. Thus originated the All-India Co-operative Institutes' Association from 1st October, 1929.

The Second All-India Co-operative Conference.—The Second All-India Co-operative Conference was held at Hyderabad (Deccan) in April, 1931 with Sir Lallubhai Samaldas, C.I.E., in the Chair. All major Provinces and States were represented at the Conference.

The Third All-India Co-operative Conference.—The Third All-India Co-operative Conference was held at Amraoti in June, 1934.

Prominent Co-operators from all Provinces and States attended it. The Conference reviewed the position of the co-operative movement in the country and suggested remedies for its improvement.

The Fourth All-India Co-operative Conference.—The Fourth All-India Co-operative Conference was held at Bangalore in July, 1937. His Excellency Lord Linlithgow, Viceroy of India sent the following message to this Conference:—

“It gives me great pleasure to send my good wishes for the success of the Fourth All-India Co-operative Conference, which is being held at Bangalore. Keenly interested as I am in all that can make for improvement in the conditions of life of the cultivators of the Indian countryside, I appreciate fully the value and importance of the Co-operative Movement. I trust that the Conference will lead to further extension of the scope for the service of the Movement to the true and lasting benefit of the rural population of India.”

The Fifth All-India Co-operative Conference.—The Fifth All-India Co-operative Conference is overdue and proposals to hold it in the near future are under consideration.

Meetings of the Standing Committee.—The first Standing Committee was held at Simla in September, 1928, the second at Bombay in September, 1929 and the third at Nagpur in December, 1929. The fourth meeting was convened at Bombay in April, 1930, the fifth at Hyderabad (Deccan) in April 1931 and the sixth at Bombay in December, 1931. The seventh meeting was organised at Amraoti in June, 1934, the eighth at Calcutta in December 1934, the ninth at Patna in September 1935 and the tenth at Fyzabad in April 1936. The eleventh meeting was held at Delhi in March, 1937, and was followed by the twelfth meeting at Bangalore in July, 1937 and the thirteenth at Vizianagaram in April, 1938. The fourteenth meeting was held at Madras in October, 1939 and the fifteenth at Bombay in January, 1941.

Co-operative Education.—The Association has always kept in the forefront the question of co-operative education and has formulated schemes from time to time for the advancement of this cause. The question was taken up at the Standing Committee meeting held at Patna in September, 1935, where it was resolved that “steps should be taken by co-operators to put co-operative education in India on a sound and satisfactory basis and in order to do so, a scheme of co-operative education was circulated to the several provincial institutes and provincial banks for their opinion. (For the details of the scheme see July 1935 issue of the *Indian Co-operative Review*).

The Standing Committee at its Delhi meeting in Easter 1937 once again reiterated its opinion and stated that “this meeting regrets that in some provinces the Co-operative Institutes were not consulted in regard to the schemes of co-operative education formulated by the Pro-

vincial Governments in connection with the grant made by the Government of India for the promotion of co-operative education and that the work of such education has not been entrusted to the Provincial Co-operative Organisations and once more urges on the Provincial Governments the necessity to entrust co-operative education to the Provincial Co-operative Institutes."

Co-operative Courses.—The Conference held at Amraoti 1934, directed the Standing Committee of the Association to obtain information about the arrangements for courses in Co-operative Education in the various Provinces and States in India and to make that information available to the member-institutes in a suitable form.

A detailed description of the arrangements of Co-operative Education prevailing in the Provinces and States was given in the *Indian Co-operative Review*, July 1935. The information about the new schemes of Co-operative Training adopted in the Provinces as a result of the Government of India Grant for co-operative education and also information about the syllabus of the different courses is being collected and will be published in due course.

Co-operative Societies and Income-tax.—The question of the taxation of co-operative societies is very important and has, therefore, come under review in many meetings.

Under the old Income-tax Act, Section 60 empowered the Government of India to give exemption to various people and institutions where thought necessary. The Government of India has given exemption to co-operative societies under this Section, but the notification containing this exemption was so ambiguously worded that the Commissioners of Income-tax of various provinces differently interpreted the notification and it ceased to be useful in practice. When the new Income-tax Act was under consideration several attempts were made by the President of the Association to get a clear enunciation of the policy to be followed by the Government in the matter of Income-tax to be levied on co-operative societies. The President wanted clear exemption being given to societies from tax as in the case of pay and pension of officers who are drawing large amounts in England. Sir James Grigg, the Finance Member, was ready to consider the case of co-operative societies favourably and give them some exemption.

The following resolution was passed in this connection at the Jubbulpore meeting in April, 1939:—

"This meeting considers that the position of the co-operative movement under the Income-tax Act is extremely unsatisfactory and places the co-operative banks in a worse position than the joint-stock banks.

"This meeting adopts the draft memorial prepared for submission to the Finance Department of the Government of India and authorises

the President to present the same and take necessary action to get the law amended."

"This meeting also urges upon the Provincial Governments to support the memorial and to impress upon the Central Government to revise the Act in the manner therein suggested. A copy of the memorial shall be sent by the President to each Provincial Government in the country."

The memorial was considered favourably by the Government and co-operative societies were given some relief.

The question of the excess profit tax was taken up at the Bombay meeting in January, 1941, and the following resolution was passed:—

"This meeting, while recording its grateful thanks to the Central Government for the relief given to co-operative societies in respect of super-tax and income-tax, requests the Government to exempt co-operative societies from the operation of the excess profit tax, for the levy of such tax will considerably reduce the ability of the banks, which are working on low margins, to serve the interests of the agriculturists by keeping the rates of interest charged by rural societies to the members at the present level."

The efforts of the Association have partially been successful in obtaining relief for co-operative societies at least in regard to super-tax and this has resulted in recurring saving of many lakhs of rupees to co-operative societies all over the country. The Association may legitimately be proud of this achievement.

Reserve Bank of India: Remittance Transfer Facilities.—The relations of the Reserve Bank of India with the Co-operative Movement have constantly engaged the attention of the co-operators of this country and this is apparent from the numerous resolutions passed by the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association. The subject was considered at great length at the Bangalore Conference in July, 1937, and also at subsequent meetings and exhaustive resolutions were adopted.—(*I.C.R.*, Vol. III, page 468).

Co-operative societies in this country have enjoyed the facilities of free Remittance Transfer Receipts for the past several years. These facilities were gradually curtailed by the Imperial Bank of India and practically withdrawn by the Reserve Bank of India last year. The withdrawal of these facilities was discussed in the Bombay meeting in January, 1941, and a suitable resolution was adopted.—(*I.C.R.*, Vol. VI, Supplement, pages 14 to 22).

Official Control.—The question of official control over the co-operative movement in India has continued to exercise the minds of the workers; this is evident from the discussions the subject has provoked at both the official and the non-official conferences. The Registrars at their official conference held in Delhi in the beginning of 1934, gave

their verdict that "in view of the present circumstances time has not yet come for slackening the official control." The non-officials in the All-India Co-operative Conference held at Amraoti in June 1934, were no less emphatic on the point when they passed resolutions disapproving the attempts to get the movement under official control.—(*I.C.R.*, Vol. I, page 129).

Again a resolution was passed by the joint meeting of the Standing Committees of the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association held at Delhi in Easter, 1937, protesting against the policy of officialising the movement.—(*I.C.R.*, Vol. III, page 137).

Rehabilitation of the Co-operative Movement.—The question of the rehabilitation of the Co-operative Movement in the various provinces and States in India is very important and needs immediate attention. The Association has always been alive to its responsibilities in this important matter and has considered this vital problem at its various sittings, and keeping in view the local conditions, has formulated different schemes for this purpose. The Berar Scheme was drafted in the Madras Meeting in October, 1939 and the schemes of Bengal and Bihar were examined.—(*I.C.R.*, Vol. V, pages 571 to 581). Principles were enunciated by the Association at its Bombay meeting held in January, 1941, for the resuscitation of the co-operative movement.—(*I.C.R.*, Vol. VI, Supplement, pages 23 to 35).

Co-operation and Women.—The Association realised and has always laid special stress on the need to bring the women in its fold so as to achieve the aims of co-operation, that is to say, economic, social and moral emancipation of the people and the general well-being of the whole community. This is evident from the resolutions passed by the Association at its meetings held in Patna and Bangalore.—(*I.C.R.*, Vol. I, No. 4, Supplement, page 33, and *I.C.R.*, Vol. III, page 485).

Co-operative Service.—The question of the improvement of the conditions of service of the employees in Co-operative Institutions was considered and a resolution was adopted at the Bombay meeting in January, 1941.—(*I.C.R.*, Vol. VI, Supplement, page 30).

The Association has established contacts with co-operative organisations in other countries and thus keeps itself in touch with international activities. The Association is affiliated to the International Co-operative Alliance, London, and sends delegates to the International Co-operative Congress, when feasible. The idea of celebrating an International Co-operative Day throughout the world was originated by the International Co-operative Alliance. The Association lost no time and effort to organise the celebration of Co-operative Day every year under its auspices by co-operators and co-operative institutions in every part of this country. The first Saturday of November was fixed for the celebration of Co-operative Day in India, to suit the climatic

and agricultural conditions in India, while the rest of the world celebrates the occasion on the first Saturday in July each year. The Day was inaugurated to afford an opportunity of manifesting the solidarity of the co-operators of the world and their unquenchable determination to make their economic principles prevail. The question of 'War and Co-operation' was also considered by the Standing Committee at its meeting held in Bombay in January, 1941, when resolutions were passed declaring its conviction that the co-operative system provides the best basis for a world settlement calculated to ensure Freedom, Security, Social Justice and Universal Peace.—(I.C.R., Vol. VI, Supplement, page 14).

The Indian Co-operative Review.—The *Indian Co-operative Review*, which is the organ of the All-India Co-operative Institutes' Association, and the Indian Provincial Banks' Association was started in January, 1935, as a quarterly journal and is edited by the Hon'ble Mr. V. Ramadas Pantulu. The Review has circulation both in India and abroad. The seventh volume of the journal is completed with the fourth quarter's issue for 1941.

Indian Co-operative Series.—Besides publishing the *Review*, the Association has also given facilities for the publication of co-operative literature and so far ten different books and brochures have been published under the auspices of the Association. In addition to the above, the Association published two pamphlets giving the by-laws of the Provincial Co-operative Institutes in British India and Indian States in one and their constitution and working in the other. The by-laws of the Provincial Co-operative Banks in British India and Indian States have been collated in another publication.

Conclusion.—The Association is yet in its infancy, being only in the thirteenth year of its life. It is progressing slowly on sound and satisfactory lines and is rendering useful services to the cause of Co-operation in a modest way. It is gaining strength as the years go by. Its importance and utility has been recognised by the Government of India, the Reserve Bank and the Co-operative Departments of the various Provinces and States in India. It has been given the privilege of sending its representative to the Registrars' Conference by the Government of India and almost all the Provincial Governments have agreed to supply their reports and publications, particularly those relating to the co-operative movement, free of cost. The Association has provided useful literature by publishing interesting and instructive books on Co-operation. The *Indian Co-operative Review*, the organ of the Association, has been acclaimed to be the best Co-operative Journal in the country. The Association has succeeded in making the Co-operative Day a real festival in the country-side. The Association is often asked to give evidence before Committees and Commissions when occasion arises. As an instance, it gave evidence before the Central Banking Enquiry Committee which accepted a good many of its pro-

posals relating to the improvement of the co-operative movement. The opinion of the Association is sometimes invited on legislation concerning the welfare of the agriculturists. The importance of the Association can further be gauged from the fact that its President has been elected as a member of the Central Committee of the International Co-operative Alliance, London.

The Association is a real federation of Co-operative Institutes in the country. Its area of operation extends over British India and also the Indian States. It is a deliberative and an advisory body. It does not interfere in the working of the Provincial Co-operative Institutes or the co-operative movement of the different Provinces and States in India. It, however, advises them on complex questions of policy and development of the co-operative movement and leaves it to the discretion of the Provinces and States to carry out the policy enunciated by it after making such modifications as local conditions may demand.

The scope of work before the Association is very vast and though it has done some little piece of valuable work, it has not yet touched the fringe of the problem. Its excuse for it is its limited financial resources. Its field of activities could be widened if we could get more funds. It is hoped that with the aid and assistance of the Provincial Co-operative Institutes and co-operators in general, and the members of the Standing Committee in particular, the Association will grow from strength to strength and thus give a new and vigorous life to the co-operative movement in this country.

"The objects of co-operative education are primarily the formation of co-operative character and opinions by teaching the history, theory and principles of the Movement with economics and industrial and constitutional history in so far as they have a bearing on co-operation, and secondarily, though not necessarily of less import, the training of men and women to take part in industrial and social reforms and civic life generally".

—Educational Programme of Manchester
Co-operative Union, 1934-35.

THE INDIAN CO-OPERATIVE REVIEW

By

KHAN MOHAMMAD BASHIR AHMAD KHAN, M.A., LL.B., M.R.A.S.,
(LONDON)

Honorary Secretary, All-India Co-operative Institutes' Association.

History.—The need for a journal reviewing periodically the co-operative movement in the whole of India has long been felt by workers in the field, official and non-official. The question was first mooted in the Ninth Conference of Registrars in 1926 and a resolution was passed that an Indian Co-operative Magazine should be published from Delhi and that it should contain articles of general and of provincial interest. But this did not bear fruit, partly because the scale of expenditure then suggested (Rs. 10,000 a year) was felt to be too high, while there was no guarantee of finance forthcoming from any important provincial institution. It was, in fact, strongly opposed by some official and non-official leaders, either because of the fear of its becoming a competitor with the existing provincial journals or of its becoming a predominantly official organ. But there was then no non-official organisation to undertake the publication.

The Hon'ble Mr. V. Ramadas Pantulu, immediately after his return, at the close of the year 1934, from the session of the International Co-operative Congress held in London, revived the idea of an All-India Co-operative Journal. He also said that there was a desire on the part of the co-operators of other countries to have an All-India Journal so as to give them a comprehensive idea of the working of the movement in the several provinces and of the Indian Co-operative Problems. As necessary support was forthcoming from the two All-India Co-operative Associations the starting of the journal became an accomplished fact, and the first issue was published in January 1935.

Writing as early as 1930, in "Co-operation in India" edited by him, five years before the *Indian Co-operative Review* was actually started, Prof. H. L. Kaji gave the following forecast of the nature and scope of the All-India Co-operative Journal to which he gave the name, '*Indian Co-operative Review*': "With articles on co-operative topics of general importance in the country from writers of eminence, with reviews of the movement in the different provinces and states from time to time, with studies on particular aspects of co-operation by close students of the subjects, which might later on be produced as monographs, with reviews of co-operative books published at home and abroad, and with a section devoted to important co-operative news, *The Indian Co-operative Review* would, there is no doubt, meet a longfelt want of co-operative workers and students of co-operative economics." The *Indian Co-operative Review* has from its inception endeavoured to fulfil this role and has now prov-

ed that the apprehension of an All-India Journal becoming a competitor with the existing provincial journals or of its becoming a predominantly official organ was not well-founded.

Aims.—Describing the aims and objects of the journal, the Editor said in the first issue that "The Review aims at supplying a keenly felt want; it will provide a medium for the periodical publication of articles on co-operation that would be of importance to the whole of India by writers of some standing and authoritative position. Attention will be drawn to co-operative legislation, experiments and activities in other countries, whose conditions are similar in several respects to ours. For, as has been well said, 'Blunders will be avoided, not by excessive caution which spells stagnation, but by deductive reasoning based upon the comparative method.' We propose to have correspondents in several foreign countries to provide us from time to time notes of events and to indicate to us the sources of information likely to be of great interest to co-operators in our country."

Difficulties.—Visualising the difficulties of publishing the journal the Editor remarked that "We are not unaware of the difficulties of running an All-India Journal of the character we desire. Some of the provincial journals have in the past attracted articles of the type that we envisage for this journal; and to that extent they may fear we are competing with them. We may declare at once that while we are anxious in this Review to cater to the whole of India in a systematic way, we are equally anxious that the existing provincial journals should develop to the fullest possible extent, that the quarterlies should become monthlies, that the several Provinces and States which have no journals of their own should start theirs in English, and in Vernacular in particular, to deal primarily with the movement within their territories and to draw upon the experiences outside theirs in relevant cases. Theirs should be the most authoritative treatment of local topics, and we will ordinarily look forward to them for furnishing the fullest information on special problems of their own. We shall draw in this journal pointed attention to their difficulties, whenever necessary, and publish extracts from the more interesting articles. In special cases we shall invite contributions to this Review on types of societies that may be worthy of adoption over a wider area."

CONTENTS OF THE REVIEW

First Year.—The first issue of the *Indian Co-operative Review* was published in January, 1935. It contained articles among others on (1) agricultural credit; (2) debt conciliation; (3) consolidation of holdings on a co-operative basis; (4) arbitration societies and women's societies, novel forms of Co-operation in the Punjab; (5) co-operative education; and (6) co-operative marketing.

From the second issue the scheme adopted was to give full discussion of one or two special topics of major importance, although articles on other topics were also continued to be published. An attempt was

made in the second issue to deal with Debt Conciliation and Consumers' Movement in India. The third issue specialised in describing the Co-operative Education and Training in force in the various Provinces and States in India. Co-operative Marketing was the main subject discussed in the fourth issue. This successfully completed the first year of the Review.

Second Year.—The January 1936 issue confined itself to the examination of the Urban Co-operative Movement in the various Provinces and States in India. Then followed a discussion of Cottage Industries and Co-operation in the April 1936 number. The next issue (July 1936) dealt with the problems of the Central Co-operative Banks in different parts of the country. The question of Land Mortgage Banks was taken up in the October 1936 issue.

This concluded the second year of the life of the Review.

Third Year.—An attempt was made in the first issue, January-March 1937, of the third year, to describe Co-operative Law and Administration including Supervision and Audit. But very few articles on the subject were received, and therefore the idea could not be given a practical shape. However, the issue contained useful articles on a variety of topics. The succeeding issues of this year dealt with the following subjects:—

(1) April-June:—Economic Planning with special reference to Co-operation and programmes of Rural Reconstruction in operation in various Provinces and States.

(2) July-September:—Indebtedness and Legislative and Executive measures taken in important Provinces and States for the relief of the agriculturists and to deal with indebtedness.

(3) October-December:—Proceedings of the International Co-operative Congress held in Paris in September, 1937 and some articles of general interest dealing with some special aspects of Co-operation in India.

Fourth Year.—Volume IV was published in 1938. To keep the readers in touch with latest developments in co-operative thought and action, various topics were discussed therein. The January-March issue contained articles on "Women and Co-operation." That for April-June was mainly devoted to a discussion of the problems of 'Audit' of co-operative societies in India. Besides a variety of topics, the 'Co-operative Supply of Agricultural Requirements' was discussed in the July-September issue.

Fifth Year.—In the January-March issue of Volume V 'Debt Relief Legislation' and its effects on rural credit in the various parts of India were discussed. Then followed a description of the 'Co-operative Milk Supply and Dairy Societies' in July-September, 1939 issue. 'The Consolidation of Land Holdings' in various Provinces and States in India formed the main topic of the October-December issue.

Sixth Year.—Volume VI was published in 1940. 'War and Co-operation' was the chief topic of this volume. The Report of the Committee on Co-operation in Madras was discussed in the July-September issue. In addition to these, a variety of articles and contributions on different aspects of Co-operation by eminent writers were also published in this issue.

Seventh Year.—The January-March issue of Vol. VII was mainly devoted to the study of the origin, working and progress of the Provincial Co-operative Banks in India. Then followed the problems of the Land Mortgage Banks in different parts of India in the April-June issue. Weavers' Co-operative Societies were detailed in the July-September, 1941 issue. The issue for October-December 1941 contained articles on different topics viz., Cane-growers' societies in Central Provinces and Bihar, Milk Supply Unions in the United Provinces, Rehabilitation of Co-operative Movement in the Punjab, Central Banks in Madras and Reserve Bank of India and the Co-operative Movement.

The Indian Co-operative Review is a medium for periodical publication of articles on Co-operation by writers of standing and authoritative position in India and foreign countries. It gives a comprehensive and detailed surveys of co-operative activities covering the whole of British India and Indian States. It contains notes on Co-operative Legislation, Experiments and Activities in Foreign lands. It reviews all literature on Co-operation and allied subjects. It is printed on 28 lbs. antique paper. Its subscription per annum is: Inland Rs. 6; Foreign Sh. 10. The price per single copy is: Inland Rs. 1-8-0; Foreign Sh. 2-6.

Warm Reception by the Press.—The Review has received a warm reception from all over the country and is appreciated by Co-operators, both officials and non-officials, for the high standard of its articles. It has been very favourably commented upon by the Press both in India and abroad and it has created a demand for itself in co-operative quarters of foreign lands.

In the words of the *Review of International Co-operation*, London, *the Indian Co-operative Review* is an excellent organ of the All-India Co-operative Institutes' Association.

The Associations owe a deep debt of gratitude to the Hon'ble Mr. V. Ramadas Pantulu for taking upon himself the heavy responsibility of editing the *Indian Co-operative Review* honorarily at a great sacrifice of his precious time, and making it successful.

"It would be better for men to be deprived of education than to receive their education from their masters; for education in that sense is no better than the training of the cattle that are taken to the yoke."

—THOMAS HODGSKIN, 1823.

CO-OPERATIVE PRESS IN INDIA

Prof. H. L. Kaji, edited *Co-operation in India* the first of the Indian Co-operative Series published by the All India Co-operative Institutes' Association. He contributed to the Directory in that publication an article on Co-operative Journals in India. He then said that there were 40 co-operative journals in India dealing exclusively with co-operative subjects though in addition to these, ordinary journals, dailies, weeklies, monthlies and quarterlies find some space in their issues for co-operative news, reviews and for comments on the progress of co-operation in the several parts of India. Of the 40 journals then published only 6 were in English, namely those published by the Co-operative Institutes of Bombay, Madras, Bengal, Bihar and Orissa and the United Provinces, the sixth by the Madras Co-operative District Central Bank. Of the 34 vernacular journals 6 were published in Bombay, 6 in Madras, 1 in the Punjab, 2 in the United Provinces, 2 in Bihar and Orissa, 1 in Bengal, 3 in the Central Provinces and Berar, 1 in Assam, 1 in Coorg, 4 in Hyderabad (Deccan), 1 in Mysore, 1 in Baroda, 3 in Travancore, 1 in Cochin and 1 in Pudukottah. It will be seen that there was no All-India Journal then, for the *Indian Co-operative Review* was started only in 1935. It is now a decade since Prof. Kaji compiled his Directory. It will be seen from the summary of the position in 1942 that two of the English Journals, namely, those published by the Bihar and Orissa Co-operative Federation and the Madras District Co-operative Central Bank have since been discontinued. The Bihar and Orissa Co-operative Federation Journal was an ably conducted journal and its discontinuance has to be greatly regretted.

A Directory of the Co-operative Journals based on the information received from the Provincial Editors in response to the invitation of the General Editor is published below. It is not possible to vouch for the completeness of the list because it is not certain whether full information regarding the Co-operative Journals in all parts of British India and Indian States has been furnished. It will be seen therefrom that at present in addition to the *Indian Co-operative Review* (All-India Journal) there are 5 English journals, namely, those published by the propaganda institutes of Bombay, Madras, Bengal, United Provinces, and Jammu and Kashmir. Mysore publishes an Anglo-Kannada journal. The other 18 journals are published purely in Indian Languages.

ALL-INDIA

THE INDIAN CO-OPERATIVE REVIEW: *English*; Quarterly; Established in January 1935; Published by the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks'

Association; An annual grant of Rs. 1,000 is made by the Indian Provincial Co-operative Banks' Association. Editor: The Hon'ble V. Ramadas Pantulu, President, All-India Co-operative Institutes' Association and Indian Provincial Co-operative Banks' Association. A fuller account of the *Indian Co-operative Review* by Khan Mohammad Bashir Ahmad Khan is printed elsewhere. Address: *Farhatbagh*, Mylapore, Madras.

BRITISH INDIA

Assam

SAMABAYA: *Assamese*; Monthly; Established in March 1939; Published by the Assam Valley Co-operative Organisation Society, Ltd., An annual grant of about Rs. 250 is made by the Provincial Government. Editor: Mr. Bimala Kanta Bora, B.A., LL.B.

Bengal

1. THE BENGAL CO-OPERATIVE JOURNAL: *English*; Quarterly; Established in 1914; Published by the Bengal Co-operative Alliance. The Provincial Government renders varied financial assistance every year. Editor: Mr. Haran Chandra Mukherjee who is intimately connected with the Co-operative Movement for the last 15 years.

2. THE BHANDAR: *Bengali*; Monthly; Established in 1918; Published by the Bengal Co-operative Alliance; Editor: Mr. Haran Chandra Mukherjee.

Bihar

GAOU: *Hindi*; Monthly; Established in 1916; Published by the Bihar Co-operative Federation, Patna; Permanent Editor: Mr. B. Dip Narayan Sinha, M.L.A., Deputy, Governor, Bihar Co-operative Federation. Acting Editor: Rai Saheb Mathura Prasad, Retired Principal, Bihar Co-operative Training Institute.

Bombay

1. THE BOMBAY CO-OPERATIVE QUARTERLY: *English*; Quarterly; Established in June 1917; Published by the Provincial Co-operative Institute, Bombay; Editorial Board consisting of 1. Prof. V. G. Kale, M.A.; 2. Rao Bahadur S. S. Talmaki, B.A., LL.B.; and 3. Mr. V. L. Mehta, B.A.

2. BROACH SAHAKAR SAMACHAR: *Gujarati*; Monthly; Established in April 1930; Published by Gujarat Divisional Branch of the Provincial Co-operative Institute, Bombay. Editor: Mr. Dabhai Ambaidas Patel.

Central Provinces & Berar

THE SAHAKARI VIDARBHA: *Marathi*; Monthly; Established in 1924; Published by the Berar Co-operative Institute, Ltd., Amraoti; Editor: Mr. Vithal Krishna Paithankar, B.A. (Vangamaya Visharad), Editor and Inspector, Berar Co-operative Institute, Ltd.

Madras

1. THE MADRAS JOURNAL OF CO-OPERATION: *English*: Monthly; Established in 1911; Published by the Madras Provincial Co-operative Union, Luz, Mylapore; Editor: Sri R. Suryanarayana Rao, B.A., Secretary, Servants of India Society, Madras Branch, Royapettah. There is an Editorial Committee.

2. SAHAKARAMU: *Telugu*: Monthly; Established in 1919; Published by the Andhra Provincial Co-operative Union, Rajahmundry. An annual grant of Rs. 1,000 is made by the Madras Provincial Co-operative Union; Editor: N. Satyanarayana, Secretary, Andhra Provincial Co-operative Union and Joint Secretary, Madras Provincial Co-operative Union.

3. KOOTTURAVU: *Tamil*: Established in 1929; Published by the Tamil Nadu Co-operative Federation, Coimbatore. An annual grant of Rs. 1,000 is made by the Madras Provincial Co-operative Union. Editor: Mr. N. Lakshmanan.

4. PARASPARA SAHAYI: *Malayalam*: Monthly; Established in 1924; Published by the Malabar District Co-operative Central Bank, Ltd., Calicut. An annual grant of Rs. 200 is made by the Madras Provincial Co-operative Union. Joint Editors: K. Raman Kutti Nair, B.A., Secretary, District Bank; and Sri V. R. Nayanar, B.A., Servants of India Society.

5. KANNADA SAHAKARI: *Canarese*: Monthly; Established in 1925; Published by the South Kanara District Advancement Society, Ltd., Mangalore. Gets some annual financial assistance from the Madras Provincial Co-operative Union. Editor: Mr. H. Ramaraya Mallya, Ex-Editor of *Satyagrahi* and *Swatantra Bharat*, and Correspondent of the *Hindu* at Mangalore.

Punjab

CO-OPERATION: *Urdu*: Monthly; Established in 1924; Published by the Punjab Co-operative Union, Lahore; Editor: Master Mohammad Bakhsh Muslim, B.A., H.P., H.U., Editor-in-Chief: Khan Mohammad Bashir Ahmad Khan, M.A., LL.B., M.R.A.S. (London).

United Provinces

THE UNITED PROVINCES CO-OPERATIVE JOURNAL: *English*: Quarterly; Established in 1925; Published by the United Pro-

vinces Co-operative Union. The Provincial Government makes an annual grant of Rs. 1,190. Editor: Rai Bahadur B. Mukherjee, M.A., B.L., F.E.S. (London), Reader in Economics and Sociology, University of Lucknow, Lucknow.

Coorg

KODAGU SAHAKARA BANDHU: *Canarese*: Monthly; Established on 1st January 1941. Published by the Coorg Central Co-operative Bank, Ltd. A grant of Rs. 200 was made by the Government this year. Editorial Board consists of Messrs. (1) I. P. Cariappa, M.L.C., (2) P. N. Ramachetty, (3) P. M. Chengappa, Dip. in Econ., C.H.D., F.R.E.S., Registrar of Co-operative Societies, and (4) M. B. Appayya, Managing Editor.

INDIAN INDIA

Baroda

GRAMJIVAN (Rural Life): *Gujarati*: Monthly; Established in 1930 as a quarterly but since 1934 issued monthly. Published by the Baroda State Co-operative Institute; Editor: Bhailalbhai J. Patel, B.A., LL.B., Dandiya Bazaar, Baroda.

Cochin

SAHAKARANA PARABODHINI: *Malayalam*: Monthly; Established in December 1927; Published by the Cochin Central Co-operative Institute, Trichur; Editor: Mr. P. Madhava Menon, B.A., B.T.

Hyderabad, (Deccan)

GAON SUDHAR: *Urdu, Marathi, Telugu and Kanarese*; Monthly; Established in October 1940; Published by the Central Co-operative Union, Hyderabad. Nearly 1,700 copies in the four different languages are given free mostly to agricultural credit societies. The Government made an annual subsidy of Rs. 9,000. Editor: Mr. S. M. Nawab, B.A., C.H.D., (Manchester) Educational Officer, Central Co-operative Union, Hyderabad, Dn.

Jammu & Kashmir

CO-OPERATORS' BULLETIN: *English*; Quarterly; Established in 1939; Published by the Jammu and Kashmir Co-operative Institute, Ltd. Editorial Board consist of 1. H. L. Gupta, M.A., B.T., President of the Institute, 2. A. R. Malhotra, B.A., and 3. D. N. Saraf, M.A., (Econ.), B.Com.

Mysore

MYSORE CO-OPERATIVE JOURNAL (MYSORE SAHAKARA PATRIKA) : *Anglo-Kannada* ; Monthly; Established in January 1925 ; Published by the Mysore Co-operative Institute. The Institute is the receipient of a general subvention of Rs. 750 from the Government of Mysore. Editor: R. Krishna Swamy, B.A., B.T., Asst. Secretary, Mysore Co-operative Institute and Director, Bangalore Industrial & Commercial Co-operative Society (1939-40) and Bangalore City Co-operative Housing Society Ltd., since 1940.

Travancore

TRAVANCORE CO-OPERATIVE JOURNAL: *Malayalam*; Monthly; Established in 1926; Published by the Travancore Co-operative Institute, Ltd. Editors: Mr. K. G. Gopalakrishnan, Vice-President of the Institute and Mr. P. Paramu Pillay, B.A., B.L., Secretary of the Institute.

Education through Co-operative Press should help to produce co-operators whose daily activities are pervaded by that idealism and ideology associated with co-operation and behind whose work there is not merely the stimulus of the coin but of that exalted sense of duty which ought to animate and inspire a genuine co-operator.

—GENERAL EDITOR.

DEPARTMENTS OF CO-OPERATION

ASSAM (1939-40).

The head of the Department is the Registrar of Co-operative Societies, and there is one Assistant Registrar for each of the Divisions, Surma Valley and Assam Valley. There is a Provincial Auditor for Assam and the appointment of nine Assistant Auditors was sanctioned at the close of the year 1939-40. Supervision and Audit work was usually carried on by the 15 Inspectors who were placed in charge of the 16 Circles and the Provincial Auditor. The Inspectors are popularly known as Circle Inspectors. Two Education Inspectors, one in each valley, were appointed to impart training to the office-bearers and members of the co-operative societies throughout the year. From out of the grant drawn from the Government of India for development of the handloom industry, two Co-operative Weaving Inspectors, one in each valley, were being maintained. There is no information in the administration report of the expenditure incurred on this and the clerical staff of the department.

REGISTRAR :—*M. H. Hussain, Esq., I.C.S.*

BENGAL (1939-40)

The officers of the Department consisted of the Registrar, Personal Assistant to the Registrar, Deputy Registrar and 17 Assistant Registrars—16 in charge of divisions and 1 Industrial Assistant Registrar, Chief Auditor and the Officer-in-charge, Dum Dum Training Institute. There were 8 Divisional Auditors working in the year, 118 territorial inspectors and 273 auditors. The number of supervisors employed under central societies was 677. The cost of 10 supervisors maintained for irrigation societies was paid by Government.

There is no information in the administration report of the expenditure incurred during the year on the department.

REGISTRAR :—*A. Ahmed, Esq., I.C.S.*

BIHAR (1940)

The officers of the department consisted of the Registrar, Deputy Registrar, 8 Assistant Registrars, 4 Special Officers, Principal, Co-operative Training Institute and one Chief Auditor. There were several organisers of Canegrowers' Societies and 28 Inspectors working during the year. Since the audit of the societies has been taken up by the department, the services of an officer from the Indian Audit Department have been requisitioned and he was engaged in examining the scheme of reorganisation of the audit service in Bihar. The total expenditure of Government on the department was Rs. 3,83,601 during the year ended with 31st December '40.

REGISTRAR :—*M. M. Phillip, Esq., I.C.S.*

BOMBAY (1930-40).

The department in Bombay consisted of the following staff: Registrar; Deputy Registrar; Personal Assistant to the Registrar; Assistant Registrar, Co-operative Finance; Assistant Registrar, Land Mortgage Banks; Chief Marketing Officer; ten Assistant Registrars, four special auditors and one temporary additional special auditor. The net expenditure incurred by the Government towards the cost of establishment of the department during the year was Rs. 8,57,743.

REGISTRAR :—*S. M. Ikram, Esq., I.C.S.*

CENTRAL PROVINCES AND BERAR (1939-40)

For reasons of economy, the post of Registrar of Co-operative Societies in Central Provinces and Berar was combined with the posts of Registrar of Joint Stock Companies, Registrar of Firms and Secretary, Village Uplift Board. The other officials of the department consisted of one Senior Deputy Registrar and 7 Assistant Registrars. Besides, one Educational Inspector and three Assistant Educational Inspectors were maintained out of the Government of India grant. The Provincial Government maintained an audit staff also, the head of the section being called the Chief Auditor. The cost to Government on the department for the year was Rs. 2,47,547.

REGISTRAR :—*D. V. Rege, Esq., I.C.S.*

MADRAS (1939-40)

The strength of the establishment of the department in Madras during the year consisted of the Registrar, Joint Registrar, Additional Joint Registrar under training; 19 Deputy Registrars on general duty; 3 Deputy Registrars for Land Mortgage Banks; Personal Assistant to the Registrar; 4 Assistant Registrars; 61 Co-operative Sub-Registrars; Principal, Central Co-operative Institute, Madras and two lecturers; 69 Senior Inspectors; 710 Junior Inspectors and clerical and other staff numbering 440. The net cost to Government in respect of the department was Rs. 10·375 lakhs.

REGISTRAR :—*W. R. S. Sathianathan, Esq., I.C.S.*

NORTH WEST FRONTIER PROVINCE (1939-40)

The officers of the department consisted of the Registrar, Deputy Registrar and two Assistant Registrars—one in charge of the Southern Circle, and the other Northern Circle, and one Educational Assistant Registrar. The subordinate staff consisted of 19 Inspectors and 44 sub-Inspectors. Another Education Inspector was maintained from Government of India Special Grant. The total expenditure by the Government on the movement during the year (including the special grant for Education and Training of Members) amounted to Rs. 1·21 lakhs.

REGISTRAR :—*G. M. K. Niazi, Esq., I.C.S.*

ORISSA (1939-40).

The staff of the department in Orissa during the year consisted of the Registrar; Deputy Registrar, 7 Assistant Registrars, 6 Sub-Assistant Registrars, 8 Senior Inspectors 49 Junior Inspectors and clerical and other staff numbering 72. The net expenditure incurred on the department amounted to Rs. 132·8 thousands.

REGISTRAR :—*S. Solomon, Esq.*

PUNJAB (1938-39)

The administrative staff of the department at the end of the year consisted of as follows : Registrar, 4 Deputy Registrars, Personal Assistant to the Registrar, Financial Adviser to the department and 23 Assistant Registrars. A new post of Assistant Registrar, Consolidation of Holdings was created from the Special Development Fund and another temporary Assistant Registrar (Educational) was maintained from the Special Government of India Grant. The Executive staff consisted of 157 Inspectors and 152 sub-Inspectors. Besides, 12 Inspectors and 101 sub-Inspectors paid from Government of India Subvention ; 18 Inspectors and 179 sub-Inspectors paid from Special Development Programme; 2 Educational Assistants paid from Abiana Grant for Gurgaon district; 623 sub-Inspectors (Auditors and Supervisors) and 4 Senior Auditors paid by the Punjab Co-operative Union; 5 Supervisors paid by the Co-operative Industrial Bank, Amritsar and 25 sub-Inspectors paid by Central Banks, Provincial Bank and Unions, were maintained. The total expenditure of Government on the department during the year (including the special subvention from the Government of India) amounted to Rs. 14·92 lakhs.

REGISTRAR :—*I. E. Jones, Esq., I.C.S.*

SIND (1939-40)

The Gazetted Officers of the department in Sind consisted of the Registrar, Assistant Registrar, Special Auditor and one Additional Special Auditor. The subordinate staff numbered 44 of which 8 were temporary appointments. The cost of working of the department during the year was Rs. 1,22,884 of which Rs. 18,535 was charged and the balance voted.

REGISTRAR :—*Y A. Memon, Esq., I.C.S.*

UNITED PROVINCES (1939-40)

The staff of the department in the United Provinces consisted of the Registrar, Deputy Registrar, 7 Assistant Registrars and several Cane Development Officers and Deputy Cane Development Officers. There were 49 ordinary Inspectors. 15 Temporary Inspectors were appointed during the year. Eight special Inspectors were also maintained of which one was paid from the Government of India Grant. The number of auditors was 61 and 20 temporary auditors were appointed during the

year. The Provincial Co-operative Union employed 417 ordinary supervisors including 81 on deputation. Over and above, 151 temporary supervisors were appointed under the marketing scheme. Of the total, 256 were put exclusively in charge of credit work. Miscellaneous activities such as consolidation of holdings, ghee, work among women, land mortgage societies and milk and dairy accounted for the rest. The number of lady supervisors was 6 during the year. The number of supervisors employed by non-provincialized banks was 28. The cost to Government on the administration of the department was Rs. 6.49 lakhs during the year.

REGISTRAR :—*S. S. Hasan, Esq., I.C.S.*

COORG (1939-40)

The staff of the department in Coorg consisted of the Registrar, Assistant Registrar, five inspectors—each in charge of a circle and clerks and others numbering 12. The cost of working of the department during the year was Rs. 13,217.

REGISTRAR :—*P. M. Chengappa, Esq., Dip.-Econ., C.H.D., F.R.E.S.*

BARODA (1939-40)

The staff of the department consisted of the Registrar, two Assistant Registrars and 22 Auditors including the special Auditor appointed during the year. Of these 22 auditors, four were temporary—one maintained from the Agricultural Department. The cost to the State on the department during the year amounted to Rs. 73,316.

REGISTRAR :—*M. V. Desai, Esq., B.A., LL.B.*

COCHIN (1939-40)

The staff of the department consisted of the Registrar and 11 inspectors including the temporary inspector in charge of liquidation work. The cost to the State on the administration of the department during the year was Rs. 28,512.

REGISTRAR :—*K. Narayana Menon, Esq., M.A., C.H.D.*

GWALIOR (1939-40)

The staff of the Department in Gwalior consisted of a Director (who is also Inspector-General of Banks), a Registrar (post newly created to push through the reforms recommended by Professor V. G. Kale), a Personal Assistant, 20 District Inspectors, 24 Sub-Inspectors, 2 Special Auditors and 17 Auditors. The total expenditure of Government amounted to Rs. 1,52,149.

REGISTRAR :—*P. S. Mehta, Esq.*

HYDERABAD (1939-40)

The Gazetted Staff of the department consisted of the Registrar, Deputy Registrar, 7 Assistant Registrars, 6 Deputy Assistant Registrars and one Chief Auditor. The non-Gazetted Staff consisted of 27 Inspectors, 3 relieving inspectors, 30 organisers, 16 side-grade auditors and 35 auditors. The expenditure incurred by Government on the department was Rs. 4,14,345 during the year.

REGISTRAR :— *S. Fazalulla, Esq., H.C.S.*

INDORE (1939-40)

The Gazetted staff of the department consisted of the Registrar, and 7 Inspectors who were assigned respective circles for the work of Audit, Inspection, Supervision, Inquiry, Organisation and Re-organisation. The Agricultural and Co-operative departments were combined for part of the financial year and hence exact figures of expenditure over co-operative department are not available. The combined budget for both the departments for the year was Rs. 69,376 while the budget figures of co-operative department for 1940-41 are Rs. 25,869.

REGISTRAR :— *Rai Ratan A. G. Sherlekar, Esq.*

MYSORE (1939-40)

The Gazetted staff of the department consisted of the Registrar, Personal Assistant to the Registrar, Deputy Registrar, 6 Assistant Registrars each in charge of one Division and another Assistant Registrar in charge of all Land Mortgage Societies. The executive staff consisted of 54 Inspectors of whom 11 were in charge of the work of the Land Mortgage Scheme, while the strength of the Ministerial staff was 30 of whom one was a temporary clerk. There were three official liquidators of Co-operative Societies at the beginning of the year, two for societies indebted to the Apex Bank and the third for societies indebted to the District Central Banks. The Apex Bank contributed Rs. 130 per month towards the charges of the two liquidators and their peons. A total cost of Rs. 1,59,884 was incurred by Government during the year for the administration of the department.

REGISTRAR :— *M. Abdul Hukh, Esq., B.A.*

TRAVANCORE (1938-39)

The Registrar of Co-operative Societies was also the Land Revenue and Income Tax Commissioner during the year. The other officers of the department were Personal Assistant to the Registrar, two Assistant Registrars—one in charge of the Southern and the other Northern Divisions, and an Additional Assistant Registrar for Liquidation work. There were also 47 Inspectors of whom thirty-four were in charge of Circles, two were in charge of non-credit work, three were sale officers

and eight in charge of liquidation work. Those who were in charge of liquidation work were temporarily appointed. In addition to the above, there was ministerial staff also. The cost to Government on the department during the year was Rs. 89,871.

REGISTRAR :—K. R. Narayana Iyer, Esq., B.A., M.Sc., F.C.S.

Their (departmental staff) duty will be to educate the members upto the point at which they will be competent themselves to undertake the duties of the official staff and so to dispense with their services.... The best judge of the fitness of any member of the staff must be the member of the primary society whose ear he has to secure and retain.

—ROYAL COMMISSION ON AGRICULTURE IN INDIA.

CO-OPERATIVE ORGANISATIONS IN INDIA

ALL-INDIA

1. The All-India Co-operative Institutes' Association,
2. The Indian Provincial Co-operative Banks' Association.

BRITISH INDIA

Assam

Provincial Organisations

1. Provincial Co-operative Bank of Assam, Shillong.

Other Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Provincial Co-operative Bank of Assam.

Bengal

Provincial Organisations

1. The Bengal Provincial Co-operative Bank,
2. Bengal Co-operative Alliance,
3. Bengal Provincial Co-operative Industrial Society,
4. The Bengal Co-operative Insurance Society,
5. The Central Paddy Sale Society,
6. The Central Co-operative Anti-Malarial Society,
7. The Bengal Co-operative Home Crofters' Association.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. Bengal Provincial Co-operative Bank,
2. East Indian Railway Employees' Co-operative Credit Society,
3. Bengal Nagpur Railway Employees' Co-operative Urban Bank,
4. Eastern Bengal Railway Employees' Co-operative Credit Society,
5. Mymensingh Central Co-operative Bank,
6. Chittagong Urban Co-operative Bank,
7. Calcutta Corporation Credit Society.

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Ghatal People's Urban Bank,
2. Faridpur Central Co-operative Bank,
3. Comilla Central Co-operative Bank,

4. Raipura Central Co-operative Bank,
5. Pabna Central Co-operative Bank,
6. Dacca Central Co-operative Bank,
7. Khepupara Central Co-operative Bank,
8. Barisal Central Co-operative Bank,
9. Chandpur Central Co-operative Bank,
10. Postal Co-operative Credit Society of Calcutta,
11. Jessore Central Co-operative Bank,
12. Jamalpur Central Co-operative Bank,
13. Co-operative Credit Society of the Port Commissioners
of Calcutta,
14. Catra-Serampur Co-operative Credit Society,
15. Chittagong Central Co-operative Bank,
16. Feni Central Co-operative Bank,
17. Magura Central Co-operative Bank,
18. Bikrampur Central Co-operative Bank,
19. Gopalganj Central Co-operative Bank,
20. Brahmanbaria Central Co-operative Bank,
21. Bogra Central Co-operative Bank,
22. Ichhapur Rifle Factory Co-operative Credit Society,
23. Assam Bengal Railway Employees' Co-operative Credit Society,
24. Mymensingh Co-operative Town Bank,
25. Midnapur Central Co-operative Bank,
26. Burdwan Central Co-operative Bank,
27. Narayanganj Central Co-operative Bank,
28. Taki Central Co-operative Bank,
29. Serajganj Central Co-operative Bank,
30. Tangail Central Co-operative Bank,
31. Baidyabati Sheoraphuli Co-operative Credit Society,
32. Chittagong Islamabad Town Bank,
33. Kishoreganj Central Co-operative Bank,
34. Bengal Secretariat Co-operative Society,
35. Berhampur Central Co-operative Bank,
36. Khulna Central Co-operative Bank,
37. Kushtia Central Co-operative Bank,
38. Noakhali Central Co-operative Bank,
39. Tamluk Central Co-operative Bank,
40. Madaripur Central Co-operative Bank,
41. Post and Telegraphs Accounts Co-operative Credit Society,
42. Rajshahi Central Co-operative Bank,
43. Narail Central Co-operative Bank,
44. Customs General Co-operative Credit Society,
45. Gaibandha Central Co-operative Bank,
46. Sadarghat Urban Co-operative Bank,
47. Hooghly Central Co-operative Bank,
48. Manikganj Central Co-operative Bank,
49. Goalundo Central Co-operative Bank,
50. Calcutta Police Co-operative Credit Society,
51. Kilburn Writers' Co-operative Society,

52. Marine and Engineering Co-operative and Thrift Society,
53. Treasury Buildings Co-operative Credit Society,
54. Rampurhat Central Co-operative Bank,
55. Bankura Central Co-operative Bank,
56. Bhola Central Co-operative Bank,
57. Ullapara Central Co-operative Bank,
58. Shazadpur Central Co-operative Bank,
59. Naogaon Central Co-operative Bank,
60. Naogaon Co-operative Land Mortgage Bank,
61. Gun and Shell Factory Co-operative Society,
62. Birbhum Central Co-operative Bank,
63. Pingna Central Co-operative Bank.

Bihar

Provincial Organisations

1. The Bihar Provincial Co-operative Bank,
2. The Bihar Co-operative Federation.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. Bihar Provincial Co-operative Bank, Patna.

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. Siwan Central Co-operative Bank,
2. Jahanabad Central Co-operative Bank,
3. Nawada Central Co-operative Bank,
4. Rohika Central Co-operative Union,
5. Daulatpur Central Co-operative Bank,
6. Muzarffarpur Central Co-operative Bank,
7. Gopalganj Central Co-operative Bank,
8. Laheriasarai Central Co-operative Bank,
9. Bhagalpur Central Co-operative Bank,
10. Sitamarhi Central Co-operative Bank.

Bombay

Provincial Organisations

1. Bombay Provincial Co-operative Bank,
2. Bombay Provincial Co-operative Institute,
3. Bombay Provincial Co-operative Insurance Society,
4. Bombay Co-operative Banks' Association,
5. Bombay Provincial Land Mortgage Bank.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. Bombay Provincial Co-operative Bank,
2. G.I.P. Railway Employees' Co-operative Bank, Bombay,

3. Jackson Co-operative Bank of the B. B. & C. I. Railway, Bombay,
4. East Khandesh Central Co-operative Bank, Jalgaon,
5. Karnatak Central Co-operative Bank, Dharwar,
6. Surat District Co-operative Bank, Surat,
7. Poona Central Co-operative Bank, Poona.

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. Broach Co-operative Bank,
2. Ahmednagar District Urban Central Co-operative Bank, Ahmednagar,
3. Shamrao Vithal Co-operative Bank,
4. Southern Mahratta Urban Co-operative Credit Bank, Dharwar,
5. Hubli Urban Co-operative Bank, Hubli,
6. Bombay City Police Co-operative Urban Bank, Bombay,
7. Bombay Postal Co-operative Society, Bombay,
8. Belgaum Pioneer Urban Co-operative Credit Bank, Belgaum,
9. Belgaum District Central Co-operative Bank, Belgaum,
10. Betgeri Urban Co-operative Bank, Gadag-Betgeri,
11. Bijapur District Central Co-operative Bank,
12. Ismailia Co-operative Bank, Bombay,
13. Bombay Port Trust Employees' Co-operative Credit Society,
14. Surat People's Co-operative Bank,
15. Dharwar Urban Co-operative Bank,
16. Mazgaon Dock Employees' Co-operative Credit Society,
17. Dhulia Urban Co-operative Bank,
18. Kittur Co-operative Urban Bank,
19. Barsi Central Co-operative Bank, Barsi,
20. Sholapur District Central Co-operative Bank, Sholapur,
21. Educational Department Servants' Co-operative Credit Urban Bank, Nasik,
22. Hydro Employees' Co-operative Credit Bank, Bombay,
23. Cosmos Co-operative Urban Bank, Poona,
24. East Khandesh Government Servants' Co-operative Credit Society, Jalgaon,
25. Bhusawal People's Co-operative Bank, Bhusawal,
26. E. D. Sassoon Staff Co-operative Credit Bank,
27. Zoroastrian Co-operative Credit Bank,
28. Bombay Provincial Co-operative Land Mortgage Bank,
29. Satara District Local Board Primary Teachers' Co-operative Credit Society, Satara,
30. Bombay Schools Committee's Employees' Co-operative Credit Bank,
31. Amalner Co-operative Urban Bank,
32. Saraswat Co-operative Bank,
33. Salt Department Co-operative Credit Society,
34. Gokak Urban Co-operative Bank,
35. Manchester Mill Employees' Co-operative Credit Society, Bombay,

36. Ahmedabad People's Co-operative Bank,
37. Morarjee Goculdas Mill Hands' Co-operative Credit Society, Sirsi.

Central Provinces & Berar

Provincial Organisations

1. C. P. & Berar Provincial Co-operative Bank,
2. C. P. & Berar Co-operative Federation.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. C. P. & Berar Provincial Co-operative Bank,
2. Amraoti Central Bank,
3. Akola Central Bank.

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. Nagpur Central Bank,
2. Balaghat Central Bank,
3. Morsi Central Bank,
4. Sihora Central Bank,
5. Damoh Central Bank,
6. Hoshangabad Central Bank,
7. Betul Central Bank,
8. Nimar Central Bank,
9. Narsinghpur Central Bank,
10. Chhindwara Central Bank,
11. Raipur Central Bank,
12. Buldana Central Bank,
13. Khamgaon Central Bank,
14. Drug Central Bank,
15. Yeotmal Central Bank,
16. Bilaspur Central Bank,
17. Mehkar Central Bank,
18. Saugor Central Bank,
19. Sohagpur Central Bank,
20. Wardha Central Bank,
21. Malkapur Central Bank,
22. Harda Central Bank,
23. Jubbulpore Central Bank,
24. Daryapur Central Bank,
25. Ellichpur Central Bank.

Madras

Provincial Organisations

1. Madras Provincial Co-operative Bank,
2. Madras Provincial Co-operative Union,
3. Madras Co-operative Central Land Mortgage Bank,

4. Central Co-operative Printing Works,
5. Triplicane Urban Co-operative Society,
6. Madras Provincial Co-operative Marketing Society,
7. South India Co-operative Insurance Society,
8. The Madras Handloom Weavers' Provincial Co-operative Society,
9. The Madras Co-operative Fire and General Insurance Society,
10. The Madras Provincial Co-operative Stationery Stores.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. Madras Provincial Co-operative Bank, Madras,
2. Arcot (North) District Co-operative Central Bank, Vellore,
3. Chingleput District Co-operative Central Bank, Conjeeveram,
4. Madras and Southern Maharatta Railway Employees' Urban Bank, Madras,
5. Trichinopoly District Co-operative Central Bank, Trichinopoly,
6. South Indian Railway Employees' Co-operative Society, Trichinopoly,
7. Madras Posts and Telegraph Co-operative Society, Madras,
8. Coimbatore District Urban Bank, Coimbatore,
9. Madura Ramnad Central Co-operative Bank,
10. Salem District Urban Bank,
11. Guntur District Co-operative Central Bank, Tenali.
12. Madras Co-operative Central Land Mortgage Bank, Madras.

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Anantapur District Co-operative Central Bank, Anantapur,
2. Bellary District Hospet Co-operative Central Bank, Hospet,
3. Canara (South) District Central Co-operative Bank, Mangalore,
4. Krishna Co-operative Bank, Masulipatam,
5. Chittoor District Co-operative Central Bank, Chittoor,
6. Tinnevely District Co-operative Central Bank,
7. Co-operative Central Bank, Kumbakonam,
8. Malabar District Co-operative Central Bank, Calicut,
9. Nellore District Co-operative Banking Union,
10. Tanjore District Co-operative Central Bank, Tanjore,
11. Madras City Co-operative Bank,
12. West Godavari District Co-operative Central Bank, Ellore,
13. Ramachandrapuram Co-operative Central Bank, East Godavari,
14. Kurnool District Co-operative Central Bank,
15. Srivilliputtur Co-operative Banking Union,
16. Vizianagram Co-operative Central Bank,
17. Salem Urban Co-operative Society,
18. Mangalore Catholic Co-operative Bank,
19. Shri Konaseema Co-operative Central Bank, Amalapuram, East Godavari,

20. Co-operative Bank, Vizianagram,
21. Erode Urban Co-operative Bank,
22. Cocanada Co-operative Central Bank,
23. Chicacole Co-operative Central Bank,
24. South Arcot District Co-operative Central Bank,
25. Big Conjeeveram Town Co-operative Bank,
26. Co-operative Bank, Vizagapatam,
27. Viziavada Co-operative Central Bank, Bezwada,
28. Chittoor Co-operative Town Bank,
29. Madras Corporation Labourers' Co-operative Society,
30. Cuddapah District Co-operative Central Bank,
31. Madras Corporation Officials' Co-operative Society,
32. Tirupathi Co-operative Town Bank,
33. Madras District Co-operative Central Bank, Madras,
34. Mannargudi Urban Bank.

Orissa

Provincial Organisations

1. The Provincial Co-operative Land Mortgage Bank.

Other Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. Aska Central Co-operative Bank,
2. Cuttack Central Co-operative Bank,
3. Khurda Central Co-operative Bank,
4. Banki Dompura Central Co-operative Bank,
5. Balasore Central Co-operative Bank,
6. Angul Central Co-operative Union,
7. Berhampur Central Co-operative Bank.

Punjab

Provincial Organisations

1. Punjab Provincial Co-operative Bank, Lahore,
2. The Punjab Co-operative Union, Lahore.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. Punjab Provincial Co-operative Bank, Lahore,
2. Lahore Central Co-operative Bank, Lahore,
3. North Western Railway Employees' Credit Society, Lahore,
4. Jullundur Central Co-operative Bank, Jullundur,
5. Lyallpur Central Co-operative Bank, Lyallpur.

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. Ambala Central Bank,
2. Fazilka Central Bank (Ferozepur District),
3. Gurdaspur Central Bank,

4. Rohtak Central Bank,
5. Sargodha Central Bank,
6. Sialkot Central Bank,
7. Gujranwala Central Bank,
8. Gujrat Central Bank,
9. Ludhiana Central Bank,
10. Gurgaon Central Co-operative Bank,
11. Karnal Central Co-operative Bank,
12. Hoshiarpur Central Co-operative Bank,
13. Amritsar Central Co-operative Bank,
14. Rawalpindi Central Co-operative Bank,
15. Jaranwala Central Co-operative Bank (Lyalpur District),
16. Brayne Central Co-operative Bank, Rewari,
17. Pasrur Central Bank (Sialkot District),
18. Sheikhpura Central Bank,
19. Sirsa Central Bank (Hissar District),
20. Daska Central Bank (Sialkot District),
21. Mianwali Central Bank,
22. Narowal Central Bank (Sialkot District),
23. Ferozepur Central Bank,
24. Hissar Central Bank,
25. Moga Central Bank (Ferozepur District),
26. Bhalwal Central Bank (Shahpur District),
27. Attock Central Bank,
28. Montgomery Central Bank,
29. Nankana Sahib Central Bank,
30. Jhang Central Bank,
31. Multan Central Bank,
32. Kangra Central Bank,
33. Pakpattan Central Bank (Montgomery District),
34. Khanewal Central Bank (Multan District),
35. Jhelum Central Bank,
36. Chakwal Central Bank (Jhelum District).

Sind

Provincial Organisations

1. Sind Provincial Co-operative Bank,
2. Sind Provincial Co-operative Institute.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. Mercantile Co-operative Bank, Karachi,
2. Sind Provincial Co-operative Bank, Karachi.

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. Khudabadi Amil Co-operative Credit Bank, Hyderabad,
2. Hyderabad Bhaibund Co-operative Bank, Hyderabad,
3. Karachi Urban Co-operative Bank, Karachi,
4. Hyderabad Amil Co-operative Urban Bank, Karachi,

5. Khudabadi Bhaibund Co-operative Credit Bank, Hyderabad,
6. Larkana Zamindari Co-operative Bank, Larkana,
7. Mirpurkhas Zamindari Co-operative Bank, Mirpurkhas,
8. Shikarpur Zamindari Co-operative Bank, Shikarpur.

United Provinces

Provincial Organisations

1. The United Provinces Co-operative Union.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. U. P. Postal Co-operative Society, Lucknow.

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Bijnor District Bank,
2. Muttra District Bank,
3. Moradabad District Bank,
4. Jalaun District Bank, Orai,
5. Gorakhpur District Bank,
6. Kasia Central Bank,
7. Oudh and Rohilkhand Railway Employees' Co-operative
Credit Society, Lucknow,
8. Mainpuri District Bank,
9. Banda District Bank,
10. Unao District Bank,
11. Agra District Bank, Agra,
12. Dehra Dun District Bank,
13. United Provinces Telegraph Co-operative Credit Society, Agra,
14. Sultanpur District Bank,
15. B. & N. W. Railway Employees' Co-operative Credit Society,
Gorakhpur.

Coorg

Provincial Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Coorg Central Co-operative Bank, Mercara.

British Administered Areas—Secunderabad

Provincial Organisations

1. The British Administered Areas Central Co-operative Union.

Delhi

Other Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Delhi Province Central Co-operative Bank,

Ajmer-Merwara

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Ajmer Central Co-operative Bank, Ajmer.
2. Beawar Central Co-operative Bank, Beawar.

INDIAN INDIA**Baroda***Provincial Organisations*

1. Shri Sayaji Sahakar Sewak Sangh,
2. Pustakalaya Sahayak Sahakari Mandal.

Other Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Baroda Central Co-operative Bank,
2. Mehsana District Co-operative Central Bank,
3. Baroda Co-operative Land Mortgage Bank,
4. Anyoanya Sahakari Mandal.

Cochin*Provincial Organisations*

1. Cochin Central Co-operative Bank,
2. Cochin Central Co-operative Institute.

Other Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Cochin Central Co-operative Bank.

Gwalior*Provincial Organisations*

1. Rural Service Institute, Shivpuri.

Other Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh
and less than Rs. 5 lakhs

1. Gird District Bank, Lashkar,
2. Morena District Bank, Morena,
3. Bhilsa District Bank, Bhilsa,
4. Shajapur District Bank, Shajapur.

Hyderabad*Provincial Organisations*

1. Hyderabad Co-operative Dominion Bank,
2. Hyderabad Central Co-operative Union,
3. Hyderabad Co-operative Insurance Society,

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. Dominion Bank, Hyderabad.

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. Sangareddi Central Co-operative Bank,
2. Raichur Central Co-operative Bank,
3. Gulbarga Central Co-operative Bank,
4. Aurangabad Central Co-operative Bank,
5. Warangal Central Co-operative Bank,
6. Jalna Central Co-operative Bank,
7. Medak Central Co-operative Bank,
8. Nalgonda Central Co-operative Bank,
9. Mahbubnagar Central Co-operative Bank,
10. Parbhani Central Co-operative Bank.

Indore*Provincial Organisations*

1. Indore Premier Co-operative Bank,
2. Indore Co-operative Central Association,
3. Indore Central Sale and Supply Society,
4. Indore Co-operative Insurance Society.

Other Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. The Indore Premier Co-operative Bank.

Jammu & Kashmer*Provincial Organisations*

1. The Jammu & Kashmer Co-operative Institute.

Mysore*Provincial Organisations*

1. The Mysore Provincial Co-operative Apex Bank,
2. The Mysore Co-operative Institute, Bangalore,
3. The Mysore Co-operative Land Mortgage Bank,
4. The Bangalore Central Co-operative Bank.

Other Organisations

Class A.—Banks having capital and reserve of Rs. 5 lakhs and over.

1. Mysore Provincial Co-operative Apex Bank, Bangalore,
2. Bangalore Central Co-operative Bank,
3. Bangalore City Co-operative Bank.

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs

1. Bangalore City Co-operative Society, Bangalore City,
2. Malleswaram Co-operative Bank, Bangalore,
3. Mysore Co-operative Society, Mysore,
4. Grain Merchants' Co-operative Bank, Bangalore,
5. Mysore Krishnarajendra Co-operative Society, Mysore,
6. Mysore Palace Central Co-operative Society, Mysore,
7. Chikballapur Co-operative Society,
8. Shimoga Co-operative Bank, Shimoga,
9. Mysore City Co-operative Bank.

Travancore

Provincial Organisations

1. Trivandrum Central Co-operative Bank,
2. Travancore Co-operative Institute,
3. Travancore Aloe Yarn Co-operative Society,
4. Travancore Central Produce Co-operative Society,
5. Travancore Industrial Co-operative Society.

Other Organisations

Class B.—Banks having capital and reserve of over Rs. 1 lakh and less than Rs. 5 lakhs.

1. Trivandrum Central Co-operative Bank,
2. Nagercoil Peoples Co-operative Bank,
3. Neyyattinkara Taluk Co-operative Bank.

"The essence of the co-operative movement is that the people should take the management of their own affairs into their own hands, and the whole object of those charged with the education of the members of co-operative organisations should be so to teach the people that they will be able to assume complete control of their own organisations."

—ROYAL COMMISSION ON AGRICULTURE IN INDIA.

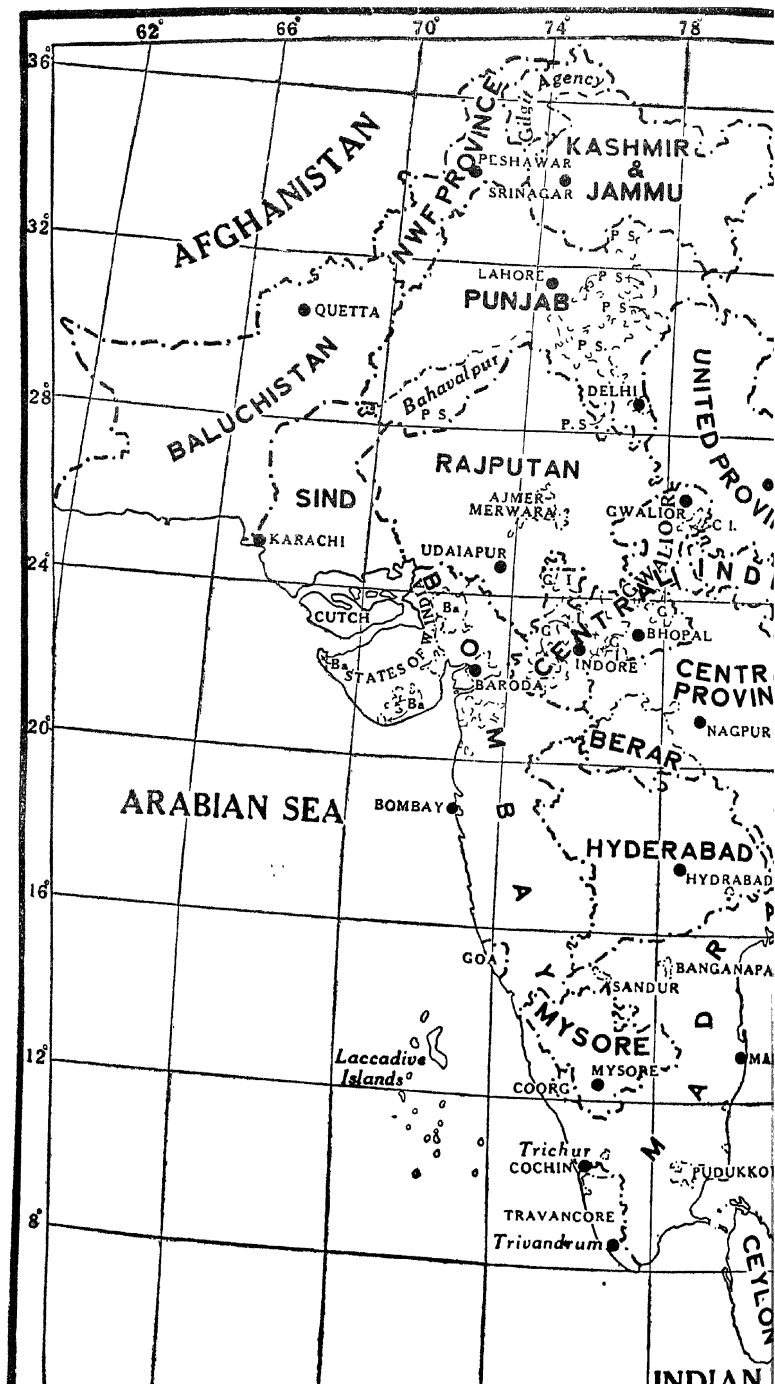
PROVINCES AND STATES IN INDIA

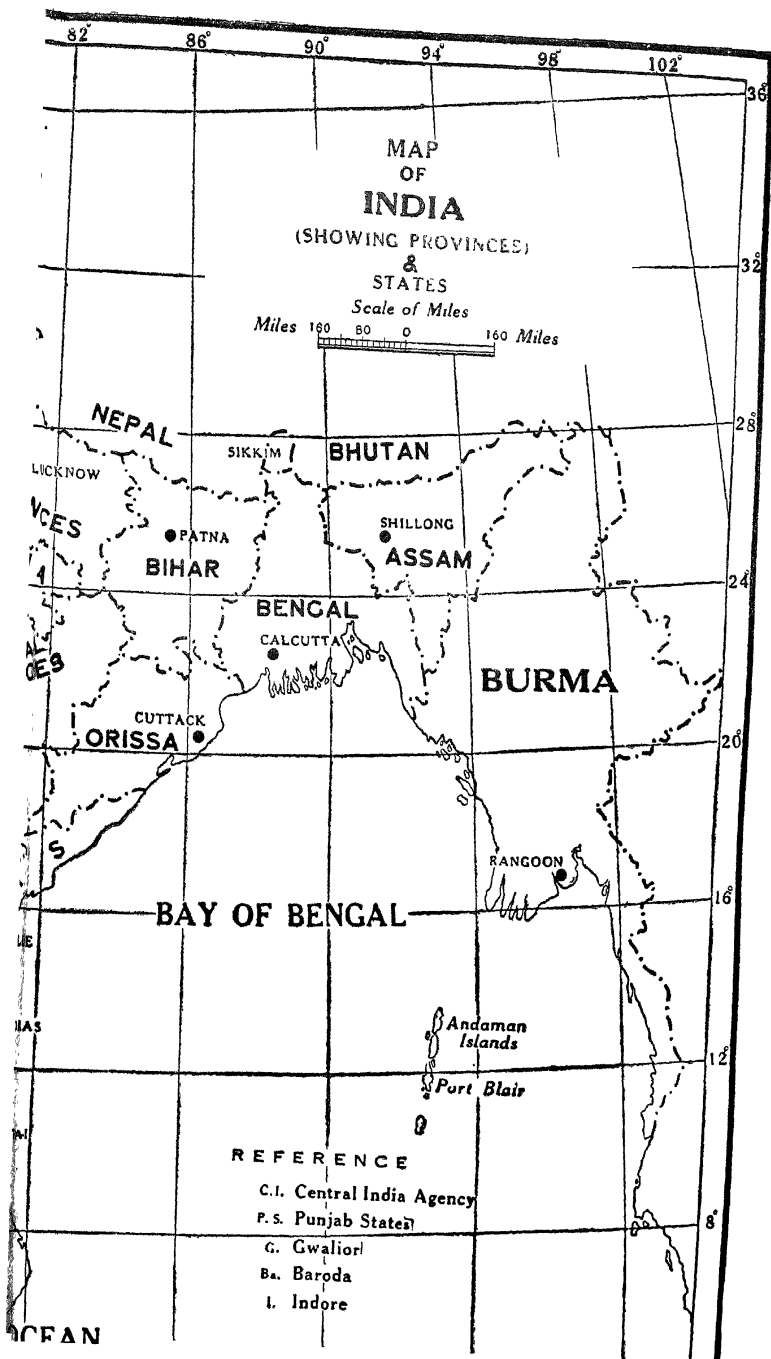
AREA, POPULATION, CO-OPERATIVE SOCIETIES, MEMBERS, WORKING CAPITAL, 1940

Name	Area in sq. miles.	Population in thousands 1941	Total No. of Co-operative Societies.	Total No. of Members.	Amount of Total Working Capital. Rupees.
PROVINCES:					
1. Assam ..	67,334	10,205	1,579	60,644	83,44,914
2. Bengal ..	77,521	60,314	37,439	11,62,560	21,24,67,996
3. Bihar ..	69,348	36,340	8,288	2,30,889	3,68,96,067
4. Bombay ..	77,221	20,858	5,289	6,31,346	16,13,15,255
5. C. P. & Berar ..	80,637	16,822	4,884	1,36,271	5,23,52,974
6. Madras ..	1,24,363	49,342	14,466	11,65,000	24,04,00,000
7. N.W.F. P. ..	36,356†	3,038	944	34,463	24,77,038
8. Orissa ..	32,400	8,729	2,726	1,08,925	1,29,00,071
9. Punjab ..	99,200	28,419	24,322	9,65,516	17,14,00,000
10. Sind ..	46,378	4,537	1,406	69,613	2,82,16,991
11. United Provinces ..	1,06,248	55,021	16,078	11,66,970	3,51,58,492
12. Ajmer Merwara ..	2,367	584	*	*	*
13. Coorg ..	1,593	169	295	20,724	14,59,230
14. Delhi ..	573	917	*	*	*
STATES:					
1. Baroda ..	8,164	2,855	1,297	65,920	1,01,98,520
2. Bhopal ..	6,924	823	*	*	*
3. Cochin ..	1,483	1,423	328	36,390	50,64,345
4. Gwalior ..	26,367	3,992	3,997	80,483	1,28,62,131
5. Hyderabad ..	82,698	16,184	3,958	1,54,412	2,77,56,935
6. Indore ..	9,902	1,510	847	29,974	89,82,257
7. Jammu & Kashmir	84,471	3,945	*	*	*
8. Mysore ..	29,458	7,329	1,956	1,45,000	2,64,19,210
9. Travancore ..	7,624	6,070	1,460	1,81,377	79,34,873

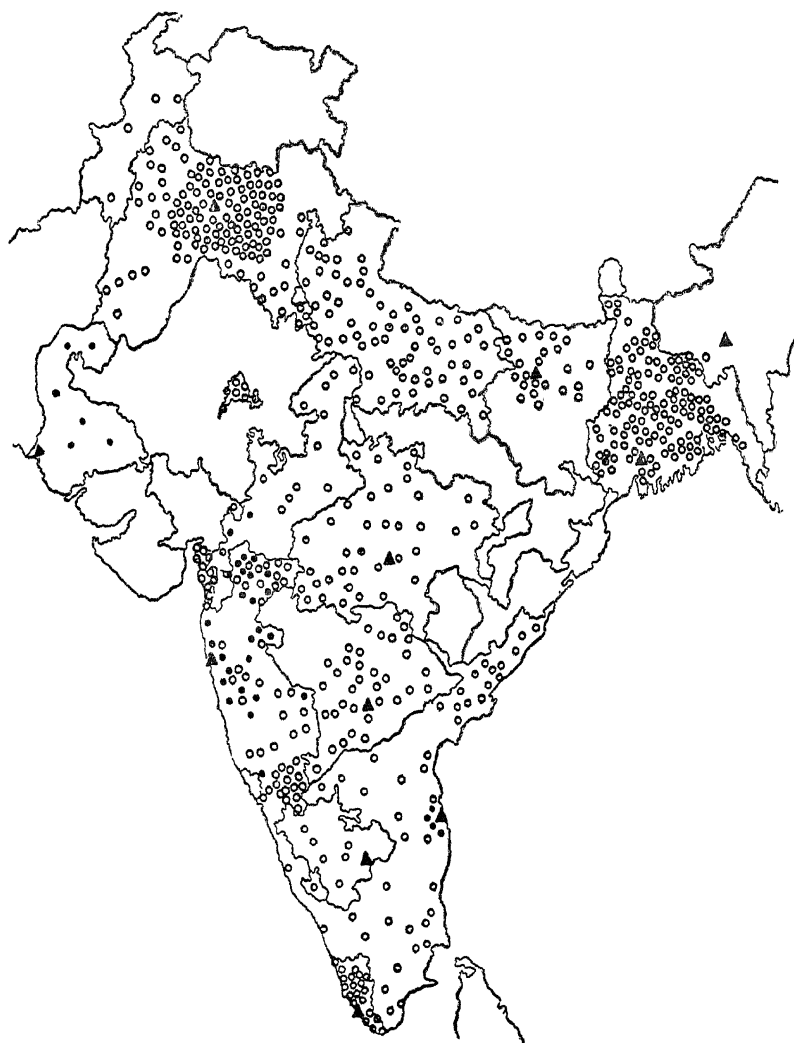
* Figures are not available.

† The area of the Settled Districts is only 13,518 square miles.





DISTRIBUTION OF PROVINCIAL AND CENTRAL CO-OPERATIVE BANKS AND BANKING UNIONS



- ▲ Head Offices of Provincial Co-operative Banks.
- Branches of Provincial Co-operative Banks.
- Central or District Co-operative Banks and Banking Unions.

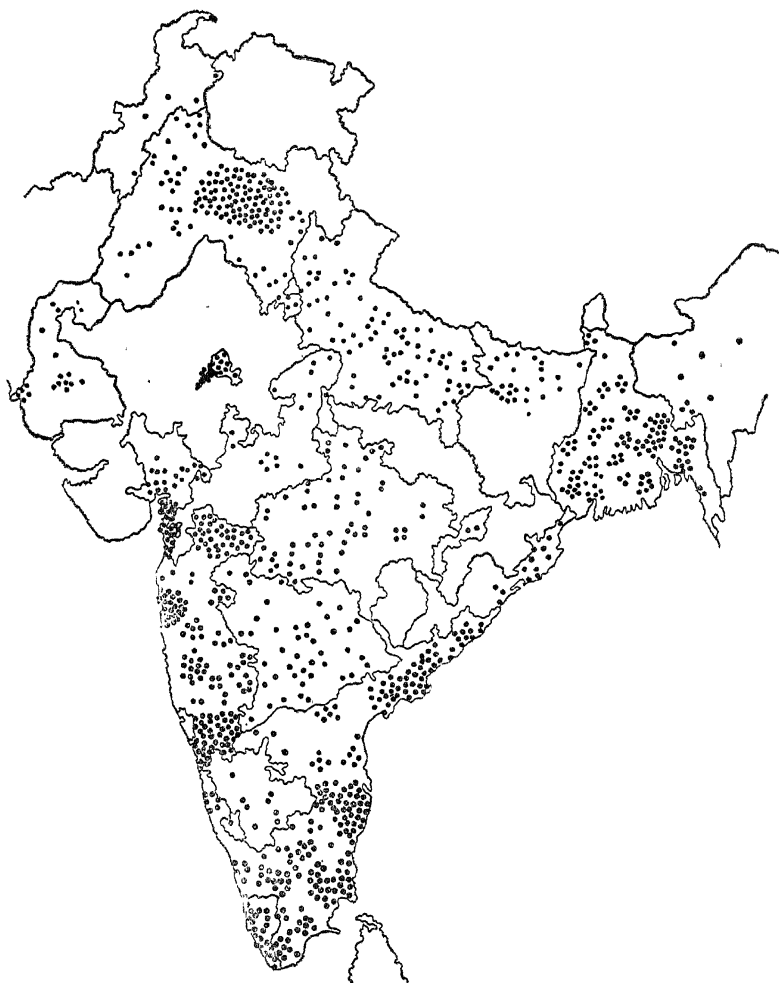
DISTRIBUTION OF PROVINCIAL AND PRIMARY LAND MORTGAGE BANKS AND URBAN CO-OPERATIVE BANKS



- ▲ Head Offices of Provincial Land Mortgage Banks.
- Primary Land Mortgage Banks.
- Urban Co-operative Banks.

By Courtesy—Reserve Bank of India

DISTRIBUTION OF THE OFFICES OF CO-OPERATIVE BANKS



By Courtesy—Reserve Bank of India

AUDIT CLASSIFICATION OF CO-OPERATIVE SOCIETIES, 1939-40¹

(PERCENTAGES)

Name.	A	B	C	D	E	Not Classified	Total
PROVINCES:							
Assam	.. 61	3.99	53.04	42.27	.09	....	100
Bengal	.. 09	1.02	36.94	11.33	10.89	39.73	100
Bihar	.. 1.04	7.86	65.67	21.12	4.31	....	100
Bombay	.. 6.75	23.06	24.45	43.72	....	2.02	100
C. P. & Berar	.. 51	5.90	67.29	19.17	7.13	....	100
Madras	.. 3.90	16.72	68.14	11.24	....	....	100
N.W.F.P.	.. 1.06	5.31	(i) 34.93 (ii) 41.97	5.84	....	10.89	100
Orissa	.. 33	2.48	52.12	29.89	12.93	2.25	100
Punjab*	.. 2.2	14.2	(i) 30.1 (ii) 31.7	18.6	....	3.2	100
Sind	.. 1.02	34.11	31.37	19.39	....	14.11	100
United Provinces*	.. 1	1.5	45.1	37.1	15.9	....	99.7
Ajmer-Merwara*	.. 2.1	25.9	45.3	18.5	....	8.2	100
Coorg	.. 17.36	46.53	30.56	4.86	.69	....	100
Delhi	.. ....	18.40	(i) 20.28 (ii) 25.47	28.30	....	7.55	100
STATES:							
Baroda	.. 8.1	22.1	26.1	26.0	....	17.7†	100
Cochin	.. 9.74	21.19	24.58	34.32	10.17	....	100
Gwalior	.. 33	4.32	18.54	40.99	8.82	27.00	100
Hyderabad	.. 2.63	13.37	57.27	14.13	6.08	6.52	100
Travancore*	.. 2.30	6.65	48.26	39.63	....	3.16	100

* Figures relate to the year, 1938-39.

† Inclusive of societies wound up.

1. The classification of societies in India is generally guided by the standards laid down by the Registrars' Conference, 1926, though modifications therein have been made by some provinces in view of their experience. In general, a society is classified as 'A' if it is really good, works on co-operative lines, is sound financially and otherwise, requires no help from outside other than the annual audit and may serve as a model to other co-operative societies; a society is placed in class 'B' if it is generally, in a sound and healthy condition and manages its own affairs; it may, however, have a certain number of defaulters and may be short of perfection in co-operative spirit and education. A 'D' class society is a bad society which will be cancelled if it does not improve in classification within two years, and it is ineligible for receiving any kind of loan from the financing institution. All other societies are grouped under 'C' class. Some provinces have further classified 'C' societies into 'C(i)' and 'C(ii)'; the latter being a little better than societies in class 'D'; a few provinces have further introduced a new classification 'E' to apply to societies which are definitely condemned to liquidation, with no possibility of revival.

**NUMBER OF SOCIETIES, THE AMOUNT OF WORKING CAPITAL
OF WORKING SOCIETIES AND THE AMOUNT INVOLVED IN
SOCIETIES UNDER LIQUIDATION AT THE END OF 1938-39**

(1)	Number of societies.	Number of societies in liquidation.	Percentage of (3) to (2)	Working capital of the societies (Rs. lakhs)	Amount involved in societies under liquidation (Rs. lakhs)	Percentage of (6) to (5)
(2)	(3)	(4)	(5)	(6)	(7)	
PROVINCES :						
Assam ..	1,551	190	12.3	88	....	....
Bengal ..	30,707	1,559	5.1	2,021	....	....
Bihar ..	7,762	835	10.8	465	20.8	4.5
Bombay ..	5,126	782	15.3	1,627	64.9	4.0
Central Provinces and Berar ..	4,764	1,323	27.8	543	56.9	10.5
Madras ..	13,759	1,392	10.1	2,271	73.1	3.2
North-West Frontier Province ..	822	7	.9	27	.1	.2
Orissa ..	2,704	189	7.0	132	7.1	5.4
Punjab ..	24,322	1,594	6.6	1,714	49.6	2.9
Sind ..	1,397	186	13.3	328	8.8	2.7
United Provinces ..	10,858	1,043	9.6	321	17.6	5.5
Ajmer-Merwara ..	723	79	10.9	62	....	....
Coorg ..	312	4	1.3	14	....	....
Delhi ..	353	21	6.0	34	.3	.9
Total ..	1,05,160	9,204	8.8	7,461	299.2	4.0
STATES :						
Baroda ..	1,244	140	11.3	95	....	....
Bhopal ..	671	141	21.0	8	5.4	64.3
Cochin ..	314	45	14.3	43	....	....
Hyderabad ..	3,638	129	3.6	275	4.4	1.6
Mysore ..	1,892	129	6.8	263	....	....
Kashmir ..	3,633	111	3.1	99	1.2	1.2
Travancore ..	1,636	327	20.0	79	6.7	8.5
Total ..	13,035	1,022	7.8	461	17.7	3.8
Grand Total ..	1,18,195	10,226	8.8	7,923	316.9	4.0

WHO IS WHO AMONG CO-OPERATORS IN INDIA

BRITISH INDIA

ASSAM

(No information under the head 'Who is Who' has been received from Assam. We publish therefore the following names of non-official co-operators to whose activities reference has been made in the latest administration report of the Registrar).

Abdur Rahman, Md., Maulvi; Hony. Organiser, Co-operative Societies, Sarbhog.

Barua, Lalit Kumar, Dr., Hony. Organiser, Co-operative Societies, Nowgong.

Baruah, R. N., M.L.A., A prominent non-official co-operator.

Chaliah, G. P., A prominent non-official co-operator.

Hussain, M. H., I.C.S., Registrar of Co-operative Societies in Assam (1941).

Khurshid, Md., I.C.S., Registrar of Co-operative Societies in Assam till 5th October 1939.

Kumud Behari Deb, Babu; A prominent non-official co-operator.

Mehta, S. L., I.C.S., Ex-Registrar of Co-operative Societies in Assam.

Narayan Chowdhury, Prabhat, B.A., Hony. Organiser, Co-operative Societies, Nalbari.

Neogy, J. N., M.A., Hony. Organiser, Co-operative Societies, Bijni.

Padmapati, A. K., M.A., B.L., Hony. Organiser, Co-operative Societies, Tezpur.

Phukan, Radha Nath, MA., B.L., Rai Bahadur; Registrar of Co-operative Societies and Director of Agriculture and Industries (1928); Responsible for considerable expansion and improvement of the movement.

Purkayastha, K. C.: Honorary Secretary, Surma Valley Co-operative Organisation Society; Member, Standing Committee, All-India Co-operative Institutes' Association.

Ramzan Chaudhury, Md., Maulvi; Hony. Organiser, Co-operative Societies, Baniachong.

BENGAL

Amin, Nurul, B.L., Khan Sahib; b. March 1897; Director, Central Co-operative Bank, Mymensingh; Bengal Provincial Co-operative Bank till 1940; Town Co-operative Bank, Mymensingh; and Ramamritganj Co-operative Sale and Supply Society; Hony. Secretary, Co-operative Land Mortgage Bank, Mymensingh; Chairman, Dhanikhola Milan Samaj Co-operative Shilpa Sangh; District Board, Mymen-

singh; Member, District School Board; Sadar Local Board; Ananda Mohan College Council, Mymensingh; and Indian Jute Committee; Vice-President Bengal District Board Association; Director, Dayamayee Jayanti Sugar Mills, Kishoreganj.

Arshad Ali Maulvi, A.M., Khan Bahadur: Registrar of Co-operative Societies, in Bengal for some time; Member, Executive Council, Bengal Co-operative Alliance.

Bhattacharjee, P. C., Honorary Secretary, Bengal Co-operative Alliance.

Bose, M. N., B.A., B.L., Rai Bahadur; Midnapore; b. 3rd October 1868; Secretary, Midnapore Central Co-operative Bank, 1914-30; Its Chairman, 1930-37 and again since 1940; Director, The Bengal Provincial Co-operative Bank, 1919-28, Chairman of its working Committee, 1919; Director again 1941; Vice-President, The Bengal Co-operative Organisation Society, 1938; Awarded the Co-operative Jubilee Medal, 1935; Member, Midnapore Sadar Local Board, 1908-29, Vice-Chairman for 9 years during the period; Member, The Midnapore Dt. Board for 20 years; Chairman, Midnapore Municipality, 1924-34; Member, Governing Body, Midnapore College since 1918; Bengal Legislative Council, since 1937.

Chandhwi, Tarapado, M.A., B.L., Katwa, Dt., Burdwan; b. 1897; Founder, Secretary, and Deputy Chairman, Katwa Central Co-operative Bank; Director, Bengal Provincial Co-operative Bank; Chairman, Katwa Municipality.

Chatterji, Sanat Kumar, Rai Bahadur, Dharmabhusan; b. June 1893; Lecturer, Civil Engineering College (1923); Professor, University Law College, Calcutta; Paper setter and paper examiner of the Law Examinations, Calcutta University; Member, Bengal Provincial Text-Book Committee; Chairman, Barasat Municipality (1928-1932); Director, Bengal Provincial Co-operative Bank (1928-1941); Chairman, Land Mortgage Bank Sub-committee of the Provincial Bank (1935-1941); Joint Author of 'Land Mortgage Bank'; Director, Barasat Central Co-operative Bank (1923-39); Chairman, Barasat Co-operative Credit Society; Some time Secretary and later Deputy Chairman of the Bengal Co-operative Industrial Society; Member, Executive Council of the Bengal Co-operative Alliance; Member, Standing Committee of the All-India Provincial Co-operative Banks' Association from 1934 to 1941; Member, Standing Committee of the All-India-Co-operative Institutes' Association for some time.

Faroque, K. G. M., Nawab, Sir; Chairman, Bengal Provincial Co-operative Bank; Formerly Minister of Co-operation, Government of Bengal.

Ghose, Saral Kumar, M.A., B.L., Ghoramara; b. 1896; Hony. Secretary, Rajshahi Central Co-operative Bank, and Rajshahi Town Co-operative Bank; Hony. Secretary Rajshahi Dt. Postal Union; Chairman, Rajshahi-Pabna Postal Employees' Co-operative Society; Rajshahi Co-operative Multipurpose Society; Director, Bengal Provincial Co-operative Bank; Chairman, Rajshahi Town Co-operative Bank for some time; Deputy Chairman, Rajshahi Central Co-operative Bank for some years; Commissioner, Rajshahi Municipality; Member, Sadar Local Board; Secretary, Rajshahi Association; Member, Governing Body, Rajshahi College; Committee of Management, B. K. Agricultural Institute; Managing Committee, P. N. Girls' High School; Managing Committee, Lokenath High School; and Sadar Hospital Committee.

Ghosh, Jatindra Nath. B.A., B.L., Rai Bahadur, Khulna; b. June, 1884; Started the Khulna Central Co-operative Bank, 1917; Its Secretary till 1927; and later its Deputy Chairman for 10 years; Director, Provincial Co-operative Bank for 8 years; Obtained Kaisar-i-Hind Silver Medal, 1922; Asst. Secretary, Khulna Bar Association and Jt. Secretary, Khulna Peoples' Association for some time; Vice-Chairman, Khulna Dt. Board, 1920-28 and Chairman, 1928-38.

Ghuznavi, Abdul Halim. Sir; Chairman, Calcutta Co-operative Milk Societies Union; Bengal Co-operative Insurance Society; and Bengal Provincial Co-operative Industrial Society.

Hossain, Ashraff; Khan Sahib; Jamalpur, Mymensingh; b. 1888; Founder Secretary, The Original Dewanganj Rice Prodayini Society; Secretary Jamalpur Co-operative Town Bank; Jt. Secretary, Deputy Chairman and now Chairman, Jamalpur Co-operative Central Bank; Member, Jamalpur Local Board; Member, Executive Committee, Bengal Co-operative Alliance; Director, Jamalpur Central Village Reconstruction Society; Director, Bengal Co-operative Insurance Society; and Bengal Provincial Co-operative Bank; Chairman, Jamalpur Municipality for some time.

Ibrahim Moulvi Mohammad; Khan Bahadur; Mukhtear, Bogra; b. 1865; Kaiser-i-Hind medalist; Deputy Chairman, Bogra Central Bank; Founder and Secretary, Sonatolla H. E. School, Bogra; Member, Bengal Legislative Council; Member, Bogra District Board; and Bogra Municipal Council for some years.

Kar Naripati; Manager, Bengal Provincial Co-operative Bank.

Lahiri, S. K.; Honorary Secretary, Bengal Co-operative Organisation Society, 1926-38; Vice-President, All-India Co-operative Institutes' Association.

Mukherjee, Haran Chandra; Manager, Bengal Co-operative Alliance; Editor, *Bengal Co-operative Journal* and *Bhandar*.

Mukherjee, Nagendra; Rai Bahadur, O.B.E., Governor, Bengal Co-operative Alliance.

Rahman, Shamsur, B.A., B.L., Khan Sahib; Khulna; b. 1885; Secretary, Khulna Central Co-operative Bank, 1928-35; Director, Bengal Provincial Co-operative Bank, 1930-35; Deputy-Chairman, Bengal Co-operative Insurance Society; Member, Standing Committee, All-India Co-operative Institutes' Association, 1930-35; Deputy-Chairman, Khulna Central Co-operative Bank; Vice-Chairman, Khulna Municipality for 9 years and Commissioner for 12 years; Member District Board, Khulna since 1918 and its Vice-Chairman since 1936; Secretary, Khulna Yusufia High Madrasa; Secretary and later Deputy-Chairman, Daulatpur Haji Mohsin H. E. School, Khulna.

Ray, Ambika Charan, M.A., B.L., Berhampore; b. 5th Jan. 1882; One of its founders in 1915 and Secretary, Berhampore Central Co-operative Bank from 1927; Chairman, Berhampore Co-operative Store from 1930; Director, Bengal Provincial Co-operative Bank 1933-37; Chairman, Berhampore Municipality; Vice-President, All Bengal Municipal Association, Calcutta; Secretary, Murshidabad Association, since 1926.

Roy, P. C., Sir; Life Member, Bengal Co-operative Alliance.

Sinha, Surendra Narayan, Rai Bahadur; Jaiganj; District, Murshidabad; b. 1881; Secretary, Lalbagh Central Co-operative Bank for some time; Member, Bengal Legislative Council, for some years; Chairman, Murshidabad District Board and Jiaganj-Azimganj Municipality for some years; Served as Honorary Magistrate for some time.

Tulsidas; Rai Sahib; Deputy Chairman, Central Paddy Sale Society.

Wordsworth, W. C., Former Chairman, Bengal Provincial Co-operative Bank; Director, Bengal Provincial Co-operative Bank.

Zaman, W., B.A., B.L., Khan Sahib; Maulvi; Joint Honorary Secretary, Bengal Co-operative Alliance; Member, Standing Committee, All-India Co-operative Institutes' Association.

BIHAR

Ahmed, Syed Sultan, Sir; D.L., Bar-at-Law; b. 1880; Ag. Deputy Legal Remembrancer for Bihar and Orissa High Court, Calcutta, 1913; Deputy Govt. Advocate, 1916; later Advocate-General; Puisne Judge, Patna High Court, 1919-20; first non-official Vice-Chancellor, Patna University for 6 years; Member, Racial Distinctions Committee, 1921-22; Hartog Education Committee, 1928-29; Offg. Member, Viceroy's Executive Council for some time; Attended the Round Table Conference, 1930-32; Chairman, Bihar and Orissa Provincial Co-operative Bank since 1932. Address: Sultan Palace, Patna.

Bhaduri, Nalini Mohan, Rai Sahib; Deputy Chairman, Madhipura Central Bank since 1931; Councillor, Bihar and Orissa Co-operative Federation; A leading lawyer and enthusiastic worker in the co-operative movement from 1911.

Ghose, Babu Tara Prasanna; Hon. Secretary, Ranchi Co-operative Central Bank in charge of Ranchi Weavers' Co-operative Stores, 1914; later Managing Director since 1920; Hon. Secretary since 1936; Hon. Organiser, Co-operative Societies since 1920; Organised Khurli Central Co-operative Banking Union and most of its affiliated societies; Guarantor Director of the Union since 1921; Hon. Secretary, Chotanagpur Divisional Co-operative Federation Board for 10 years; Director, Provincial Co-operative Bank for several years; Councillor, Bihar and Orissa Co-operative Federation; Member, Standing Committee, All-India Co-operative Institutes' Association.

Ghose, Satish Chandra, B.L., Hon. Secretary, Dumka Central Co-operative Union; Organiser, Co-operative Societies; A prominent co-operator since 1928.

Gupta, Tara Prasanna Das, Rai Bahadur; A veteran co-operator; Hon. Secretary, Araria Central Bank for many years; Councillor, Federation Council, Patna for a number of years.

Haque, Saghirul, Khan Bahadur; Hon. Secretary, Central Co-operative Bank since its inception, 1915; Chairman, Reception Committee, the B. & O. Co-operative

Federation Congress, Chapra, 1934; Deputy Governor, B. & O. Co-operative Federation for two years; Member, B. & O. Federation Council more than once.

Imam, Lady Anise, Director, Provincial Co-operative Bank for the last three years; Connected with some of the educational and civic activities of the province.

Khan, Qamar Ali, Khan Saheb, B.L., b. 1896; Member, District Board since 1924; Secretary, Saseran Bank, 1924-32; Councillor, Co-operative Federation; Director, Provincial Co-operative Bank; An enthusiastic co-operator.

Lal Jha; b. 1889. Honorary Secretary, and Vice-Chairman Rohika Central Co-operative Union, 1922-23; Councillor, Co-operative Federation.

Mitra, Babu Priya Nath, M.A., B.L., Director, Laheriasarai Central Co-operative Bank, 1919; Hon. Secretary, 1924-39; Chairman, Tirhut Divisional Co-operative Federation Board; Councillor, Co-operative Federation; Director, Provincial Co-operative Bank for some time.

Mukherjee, Bhupati Bhushan, b. 1895; Professor of Economics, Patna College, Patna; Director, Cuttack Central Co-operative Bank, 1920; Joint Honorary Secretary, Muzafferpore Central Co-operative Bank; Hon. Secretary, Muzafferpore Educational Officers' Co-operative Society, 1924-28; G.B.B. College Co-operative Stores, 1929-30; Director, Bhagalpore Central Co-operative Bank, 1931; Editor, *Bihar Co-operative Journal*; Publications: *Co-operative Sale, Co-operation and Rural Welfare in India*; *Bihari Mahajan*; *A Study in Indigenous Banking in Bihar*; and *Economic and Commercial Geography of India*.

Narayan, Raj Prakash, Rai Saheb, Secretary, Deputy Chairman and Chairman, Fatwa Central Co-operative Union for a long time; conducted interesting experiments in the organisation of irrigation societies, co-operative stores etc., Hony. Organiser for a long time; Member, Lyall Committee on Co-operation; Councillor, Co-operative Federation for 20 years; Actively interested in the Divisional Federation Board; connected with the Provincial Co-operative Bank for 2 decades.

Prasad, Babu Nawal Kishore, M.A., B.L., Pioneer of the Co-operative Movement in the District of Hazaribagh; Director, Assistant Secretary, Hony. Secy. Depy. Chairman and Chairman, Hazaribagh Central Co-op. Bank; Councillor, Bihar Co-op. Federation for two terms; Director, Bihar Provincial Co-op. Bank; Chairman, Reception Committee, Federation Congress, Hazaribagh, 1940.

Prasad, Mathura; Rai Saheb; b. 1886; Retd. Principal, Co-op. Training Institute, Pusa and Hony. Secy. Provl. Civil Service Co-op. Association; Govt. Auditor, Co-op. Dept. 1909; Sub-Dy. Collector, 1913; Hony. Supervisor, Gulzarbagh Carpet Co-op. Society; Asst. Registrar, Co-op. Societies, 1923; First Principal, Durga Prasad Co-op. Training Institute, Sabour; Editor, Co-op. Journals in English and Hindi for a number of years.

Prasad, Ram Krishna; b. 1892, Deputy Registrar, Co-op. Societies, Bihar; Dy. Collector, 1917; Asst. Registrar, Co-op. Societies, 1931; Special Officer in charge of Co-op. Rehabilitation; Offg. Dy. Registrar, 1939; Registrar, 1940.

Radha Krishna, Sah: b. 1892. A well-known business man and banker; Individual Director, Provincial Co-op. Bank for 3 years.

Roy, Mihir Nath; Rai Bahadur; b. 1871; Offg. Pub. Prosecutor for some years; Awarded Rai Sahab 1912; Managing Director, Provl. Co-op. Bank for 14 years; President, Bengali Settlers' Association; Proprietor, 'Bihar-Herald'; Member, Co-operative Enquiry Committee, 1931.

Roy, N. K., b. 1883; Deputy Registrar, Co-op. Societies, 1916; Asst. Registrar; Personal Asst. to the Registrar and Dy. Registrar till 1934; Offg. Registrar, Co-op. Societies 1918; Visited England twice; Chief Organiser, Rural Development Department, Bihar since 1940; Publications: '*Quo Vadis*'; *Future of Co-operation*; *Co-op. Organisation and Propaganda—A scheme*; *Co-operation—the founder of Rural Reconstruction*; *A Practical scheme of Rural Reconstruction*; and *Community School*.

Roy, S. K., M.A., Retd. Principal, St. Pauls High English School, Ranchi, Hony. Secy., Chotanagpur Christian Central Co-op. Bank; now Deputy Chairman; Director, Ranchi Central Co-op. Bank, 1921; Ag. Deputy Chairman, 1936-39; Chairman, Chotanagpur Divisional Co-op. Federation Board, since 1933; Ag. Chairman, Ranchi Weavers' Co-op. Stores since 1933; Councillor, B & O Co-op. Federation for several years.

Roy, Susil Kumar, M.A., B.L., Rai Bahadur; Secy., Rohika Central Co-op. Union—1913-1932; Vice-Chairman since 1933; Awarded Rai Sahab, 1917; Member, Bihar Co-op. Rehabilitation Enquiry Committee.

Sahay, Rajballabh: Rai Sahab; Hon. Secy., Gopalgunj Central Co-op. Bank, since 1917.

Sahaya, Syamnandan, B.A., Rai Bahadur; b. 1900. Managing Director, Bihar and Orissa Provincial Co-op. Bank; Was Member, Local Committees and Chairman of the Muzafferpore Municipality; Secy., Muzafferpore Central Bank and later its Chairman; Chairman, Reception Committee, Bihar and Orissa Co-op. Congress, Muzafferpore 1930; President, Jamshedpore session of the Co-op. Congress, 1935; Member, Hubback Co-op. Enquiry Committee, Committee of experts appointed to consider the Rehabilitation scheme; Executive, Bihar Landholders' Association; Member, Provl. Legislature; Responsible for sponsoring and piloting the Bihar Tenancy Amendment Act, 1934. Address:—Sahaya Bhavan, Muzafferpore.

Sinha, Akhoury Basudeva Narayan; b. 1889. Served in the editorial staff of 'The Beharee' (Patna) and the 'Leader' (Allahabad); Hon. Secy., Provincial Civil Service Co-op. Association for 10 years since 1923; Councillor, Bihar Co-op. Federation since 1924; Member, Provident Fund Committee and Standing Accounts Committee; and President, Patna Divisional Co-op. Federation Board for the last nine years; Vice-Chairman, Reception Committee, Bihar Federation Congress, Patna, 1940; President, Secretariat Co-op. Stores Society, Patna.

Sinha, Thakur Bholanath; Rai Bahadur; Secy. and Dy. Chairman, Bihar and Orissa Provincial Co-op. Bank for a long time; Hony. Secy., Patna Divi-

sional Co-op. Federation Board for some years; Director, Provl. Co-op. Bank. Author of a book on Co-operative Movement in Bihar and Orissa.

Singh, Babu Deep Narayan: M.L.A., b. 1893. Founder, the Bithauli Ashram, Hajipur Sub-Division; Member, Co-op. Rehabilitation Committee; Board of Experts of the Co-op. Rehabilitation Committee; and Co-op. Federation Council for several years; Dy. Chairman, Hajipore Central Co-op. Union; Dy. Governor, Co-op. Federation, 1937 and 1939; Editor, "Gaon" (in Hindi) published by the Co-op. Federation; Member, Sugar Control Board.

Singh, Jugal Kishore: Rai Bahadur; b. 1885. Retd. Dy. Registrar, Co-op. Societies, Bihar; Chairman, Provl. Civil Service Co-op. Asscn., Patna; Asst. Registrar, Co-op. Societies, 1925; Responsible for establishing village welfare societies in the Gopalgunj sub-division; Dy. Registrar, Co-op. Societies 1935; Offg. Registrar, Co-op. Societies 1940; President, Provincial Civil Service Co-op. Association, Patna; Retd. from Service 1940.

Singh, Lekh Narayan: Rai Bahadur. Secy., The Barh Central Co-op. Bank 1913-22; Chairman, 1928; Director, B & O. Provl. Co-op. Bank, for a number of years; Councillor, Co-op. Federation.

Singh Onkar Sharan: Hon. Secy. Jamui Central Co-op. Bank; Director; Bihar and Orissa Provincial Co-operative Bank.

Sunder Lal, Shyam: b. 1877. Director, Madhipura Central Co-op. Bank, 1912; Joint Secretary for 3 years; Director, Bhagalpore Central Co-op. Bank, 1928; Hon. Secy., Divisional Co-op. Federation since 1930; Councillor, Bihar and Orissa Federation Council for 3 terms; Director, Bihar Provl. Co-op. Bank; Member, Standing Committees, All India Institutes' and Provincial Banks' Associations for two terms; Hony. Lecturer in Law, Durga Prasad Co-op. Training Institute, Sabour for 1 year; Editorial Board 'Bihar Co-op. Journal'; Vice-Chairman, Bhagalpore Municipality, 1921; Member, Bhagalpore District Board for one term; the Divisional Development Board for two terms. A staunch Congressman.

Thakore, Vishnuprasad Manilal, B.Com., b. 1893. Inspector, Bombay Provl. Co-op. Bank, 1918; Accountant in the Bank, 1921; Secy., B. & O. Provincial Co-operative Bank since 1924; Special Officer, Co-op. Department, 1940-41; Hony. Secy., Indian Provl. Co-op. Banks' Association since 1928; Bihar Chamber of Commerce, 1939 and 1940; Asst. Secy., Bihar Society for the Prevention of Cruelty to Animals, 1938; Joint Secy. since 1939.

Wasey, Ghulam Abdul; b. 1904. Asst. Public Prosecutor; Hony. Secy., Patna Traders' Bank, 1935; Director, B. and O. Provincial Co-op. Bank 1936; Secy., Patna Divisional Board; Councillor, Bihar Federation.

Yunus, M., Bar-at-Law; b. 1884. Director, Bihar and Orissa Provl. Co-op. Bank; Prime Minister during the period of the Interim Ministry; Leader, Independent Party, Legislative Assembly; Director, Provl. Co-op. Bank for some years; Founder the Orient Bank; Toured extensively in America, Palestine, Syria, Egypt, Hedjaz etc.; Managing Director, Provl. Bank, 1922-23.

BOMBAY

Bhadrapur, K. B., M.A., b. 1898. Entered Government Service in 1913 and served in the Revenue and Co-operative Departments, as Deputy Collector and Assistant Registrar, respectively. Sailed for London, 1929 and studied Law. Appointed Member of the Civil and Military Examinations Committee, 1931. Made Rao Bahadur, 1932; Ex-officio member of the Bombay Legislative Council and Government Whip and of the Indian Legislative Assembly. Served as Collector. Hobby: Uplift of Backward Classes.

Bhide, Vithal Shivram, B.A., LL.B. (Cantab), I.C.S., Served as Assistant Commissioner, Burma (1915-1919). Came to Bombay Presidency (1919). Served as Asst. Collector and Collector in various Districts. Appointed Registrar of Co-operative Societies (1927). Pursued a policy of consolidation and improvement of Societies. Secretary, Revenue Department 1938-41. At present Commissioner, Southern Division.

Ewbank, R. B., C.I.E., I.C.S., b. 1883; Came to India 1907. Secretary to Government of Bombay, General Department. Was Registrar of Co-operative Societies (1911-20), Bombay Presidency. Secretary of Imperial Committee on Co-operation (1914-15). Author of Manual of Co-operative Societies for Bombay Presidency. Editor of Indian Co-operative Studies. Was in the Revenue and Agriculture, Education, Health and Lands Departments of the Government of India (1921-27) and during the period dealt with such co-operative questions as came before the Central Government. Associated with the Real Start of the Co-operative Movement in the Bombay Presidency. Address: Standing Stone, Wigton, Cumberland, England.

Gandhi, Chunilal Maneklal, B.A., LL.B., Nanpura Road, Surat. b. 1872. Elected Member of Rander Municipality for several years. Elected Member of the Surat Municipality (1904-12). Chairman of the Executive and Managing Committees of the Sarvajanic Education Society, Surat from 1920. Chief worker in collecting funds and establishing the M.T.B. College at Surat. Elected Member of the Bombay Legislative Council (1920). Member of the Bombay Primary Education Committee and Chairman of the Bombay Retrenchment Committee and the Bombay Excise Committee. One of the first members and now the Chairman (from 1917) of the Surat District Central Co-operative Bank. Principal, Gujarat Co-operative School (1928-30). Member, Executive Committee and the Central Education Board of the Provincial Co-operative Institute. Editor of the 'Sahakari Patrika', the Gujarati Monthly organ of the Institute (1928-31). Vice-President, Provincial Co-operative Institute, Bombay, 1935-39. Director, Bombay Provincial Co-operative Bank, 1936-39. Chairman, Bombay Co-operative Insurance Society since 1936.

Garud, Vinayak Vaman, B.A., Landlord and Agriculturist, Dhulia; b. 1882. Councillor, Dhulia City Municipality (1920-27) and its Vice-President and Chairman, Managing Committee (1922-24). Chairman of the Advisory Committee of Dhulia Branch of the Bombay Provincial Co-operative Bank, (from 1925); District Honorary Organiser, Co-operative Societies for West Khandesh (from 1926); Chairman, West Khandesh District Branch of the Bombay Provincial Co-operative Institute (1924-1928); Director, Bombay Provincial Co-operative Bank (1930-34);

Organizer, President of the Board of Control and Chairman of Managing Committee of the West Khandesh District Co-operative Purchase and Sales Union.

Ikram, Sheikh Mohamad, M.A., J.C.S., b. 10th September, 1908. Registrar of Co-operative Societies and Director of Rural Development, Bombay Province, Poona; Posted as Assistant Collector Kaira (1933); Assistant Collector, Surat (1934); Deputy Registrar, Co-operative Societies, (1937); Officiated as Collector of Poona; Collector of Broach and Panch Mahals; Publications—"Rural Calendar"; "Khedut Pothi" (Gujarati); "Ghalib Nama" (Urdu).

Jadav, Vandran Chhotalal, B.A., Rao Saheb, Banker and Commission Agent, Kanpith, Surat; Hon. Treasurer and Trustee, Surat Mahila Vidyalaya; Member, Managing Committee, Sarvajanic Education Society, Surat; Appointed District Honorary Organiser (1922); Promoter and Managing Director of the Surat Peoples' Co-operative Bank and the Gujarat Urban Co-operative Banks' Supervision Union; Director of Bombay Provincial Co-operative Bank; Connected actively with the Surat City Co-operative Milk Supply Society and Surat District Vidyarthi Sahayak Sahakari Mandal; Chairman, Sonsek Supervising Union; Member of the Executive Committee and Provincial Co-operative Council of the Provincial Co-operative Institute (1926-28).

Jadhav Bhaskarrao Vithoji Rao, M.A., LL.B., b. June 1867; Entered Kolhapur State Service in 1895 in the Revenue Department and subsequently in Judicial and General Departments; Served as Sar Subha or Chief Revenue Officer 1916-21 when he retired from service; Conducted a Marathi Paper 1901-1904; Started the Maratha Educational Conference 1907 and has been working in it ever since; Revived the Satya Shodhak Samaj Movement; Responsible for the organisation of the Co-operative Movement in Kolhapur State; Organised in 1913 the Kolhapur Municipal Servants' Co-operative Society which later became the Kolhapur Urban Co-operative Bank; District Hon. Organiser, Co-operative Societies, for Satara District 1922-23; President, Provincial Co-operative Institute, Bombay, since 1935; Director, Bombay Provincial Co-operative Bank; Bombay Co-operative Insurance Society; Nominated Member of the Bombay Legislative Council 1922-23; Elected to Bombay Legislative Council (1923); Was Minister for Education and Medical Relief; and again for Agriculture, Co-operation and Forests for some-time; Elected to Assembly (1930); Member, 1st and 2nd Round Table Conferences; Retired from the Assembly after dissolution in 1934.

Joshi Narayan Malhar, J. P., B.A., M.L.A., Girgaum, Bombay; b. June, 1879; Retired member of the Servants of India Society; Secretary, Bombay Social Service League since 1911 and Secretary, Bombay Presidency Social Reform Association, 1917-29; One of the founders of the Bombay Co-operative Library and the Bombay Co-operative Quarterly; One of the original promoters of Co-operation among factory workers in Bombay City; General Secretary, All-India Trade Union Congress, 1925-29; Was sent to Mesopotamia by the Government of India as representative of the Indian Press, 1917, and in 1920 to Washington and in 1921, 1922, 1925 and in 1929 to Geneva as delegate of the working classes in India to the International Labour Conference; Deputy Member of the Governing Body of the I.L.O. since 1922; Awarded Kaiser-i-Hind Silver Medal (1919); Was awarded but declined C.I.E. in 1921; Member of the Bombay Municipal Corporation 1919-1923; Nominated

by Government a member of the Legislative Assembly in 1921 and again in 1924, 1927, 1931 and 1934 to represent Labour; Member, Royal Commission on Labour 1930; Attended Round Table Conference, 1930, 1931, 1932 and was for some time Member of the Consultative Committee; Attended meetings of the Joint Parliamentary Committee as Indian delegate; Elected Member of the Governing Body of the I.L.O., Geneva, in 1924 and again in 1937.

Kaji, Hiralal Lallubhai, M.A., B.Sc., F.R.G.S., F.R.S.A., I.E.S., (Retd.), J.P., b. 10th April 1886; Awarded Kaiser-i-Hind (silver) Medal (1930); and Dewan Bahadur (1936); Chairman, The Vasant Insurance Co., Ltd., Bombay; Professor, Gujarat College, Ahmedabad (1905-09); Rajkumar College, Rajkot (1909-16); Sydenham College of Commerce and Economics, Bombay (1916-39); Principal and Professor of Economics, Gujarat College, Ahmedabad, (1939-41); Fellow, Bombay University (from 1938); Syndicate, S.N.D. Thackersey Indian Womens' University (from 1935); President, The Mahila Vidyalaya Mandal Surat (from 1938); President, Bombay Geographical Society (1929-32); Hon. Treasurer, Indian Economic Association (1924-27); Hon. Secretary, Association of Indian Offices of the Bombay Educational Department, (1927-1941). Editor: *Bombay Co-operative News* (1924-1927); Organised different types of Co-operative Societies; President of the Sydenham College Co-operative Stores; Dasha Lad Educational Co-operative Society; General Adviser of the Pioneer Thrift Society; President, Bombay Co-operative Insurance Society, (1930-35); Vice-President and Chairman of the Executive Committee and Chairman of the Central Education Board of the Provincial Co-operative Institute, Bombay (1926-30); Organised three regular Co-operative Schools in the Presidency; Hon. Secretary, (1929-32) and Vice-President (1932-34) of the All-India Co-operative Institutes' Association; Member of the Bombay Government Committee on Supervision (1933); Member of the Prohibition Research Advisory Board, Ahmedabad (1939-41).

Kale, Vaman Govind, b. 1886. Retired Professor, Fergusson College, Poona; Life Member, Deccan Education Society, Fellow of Bombay University, 1919-24; Member, Council of State, 1921-23 and Member, Indian Tariff Board, 1923-25; Secretary, D. E. Society 1925-28; Director of Poona Central Co-operative Bank and Poona District Land Mortgage Bank for several years; Editor, *Bombay Co-operative Quarterly* and Vice-President, Bombay Provincial Co-operative Institute, 1930-34; Member of the Bombay Government Committee on Supervision, 1933; Chairman, Central Education Board of the Institute; Director, Bombay Provincial Co-operative Bank; Conducted an inquiry into the Co-operative Movement in Gwalior State; Organiser, Co-operative Societies in Gwalior State; Editor "Artha", a Marathi Weekly devoted to economic problems. Publications: *Indian Industrial and Economic Problems*, *Indian Administration*, *Indian Economics*, *Dawn of Modern Finance in India*, and also some Marathi publications including "Sahakar" (Co-operation).

Latthe, Anna Babaji, M.A., LL.B., Bombay; b. 1878. Professor of English, Rajaram College, Kolhapur, 1907-1911; Educational Inspector, Kolhapur till 1914; Edited Deccan Ryot (1918-20); Member of the Indian Legislative Assembly 1921-23; Member of the University Reform Committee 1924; Diwan of Kolhapur 1926-30; Conferred Diwan Bahadur, 1930; Attended Round Table Conference in London as Adviser to the States' Delegation; Chairman, Central Co-operative Bank, Belgaum District, 1932. Member of the Bombay Government Committee on Supervision, 1933; Minister in charge of Finance and Rural Development 1937-39; Responsible

for piloting Debt Relief legislation and the creation of the Rural Development Department. Published "The Federal Constitution of the World" (Marathi), etc.

Laxmeshwar, Fakirappa Bharmappa; Kurtakoti, Dharwar; b. 1886; Organiser and Chairman of the Kurtakoti Co-operative Credit Society from 1909 to 1920; Organiser and Promoter of the Gadag Co-operative Gardeners' Sale Society, and the Gadag Co-operative Cotton Sale Society; Member, Executive Committee, Bombay Provincial Co-operative Institute and Member of the Managing Committee of the Dharwar Divisional Co-operative Institute, Dharwar; Director of the Bombay Provincial Co-operative Bank, 1931-36; Director of the Karnatak Central Co-operative Bank, from 1923; Director of Land Mortgage Banks, Dharwar and Gadag; Chairman, Co-operative Education Society, Hulkoti; President, Taluka Development Co-operative Association, Gadag from 1923; Chairman, Gadag-Betigeri Co-operative Ginning Society, from 1931; Member, Executive Committee of the District Rural Development Board; Dharwar; Managing Committee Harijan Anath Ashram, Gadag; Dharwar District Local Board; and Standard Sub-Committee of the Indian Central Cotton Committee, Bombay from 1939; Sitting Director of the East India Cotton Association, Bombay from 1940; Made Rao Saheb, 1940.

Madan, J. A., C.I.E., I.C.S., Served as Assi. Collector; Asst. Settlement Officer; and Assistant Registrar, Co-operative Societies. Deputed to Europe to study Co-operation in 1923; Served as Registrar, Co-operative Societies, Bombay (1923-26); Was keen on the development of Agricultural Non-credit Co-operation; Joint-Secretary, Royal Commission on Agriculture and Chairman, Bombay Banking Enquiry Committee; Secretary, Revenue Department (1934-36); Commissioner Southern Division (1936-39); Adviser to the Governor of Bombay since November 1939.

Malji, Ambashankar Uttamram; Pleader and Landlord, Broach; Elected member of the Broach Municipality from 1897 to 1910 and again from 1907 to 1924; Awarded Coronation Certificate by the Bombay Government, 1911; Secretary and later President of the Broach District Central Co-operative Bank; Promoted a Spinning and Weaving Mill in Broach; Organised the first Mill-Hands Co-operative Credit Society; Appointed District Honorary Organiser; Made Rao Saheb (1914); Appointed Divisional Honorary Organiser for Gujarat; Made Rao Bahadur (1919); President, Gujarat Divisional Co-operative Institute, Broach (from 1921); Nominated additional member of the Bombay Legislative Council as Co-operative Expert (1924 and 1925); Was awarded title of Dewan Bahadur (1926); Co-opted as a Bombay Member of the Royal Commission on Agriculture (1926); Chairman of the Broach District Land Mortgage Society from 1929 to 1936; Director of the Bombay Provincial Co-operative Bank 1921-26; Has been a Director on the Local Board of the Reserve Bank of India since 1936; Awarded under the Command of His Majesty the Silver Jubilee Medal in 1935 and Coronation Medal in 1937.

Mehta, Chunilal Vijbhukhandas, M.A., LL.B., Sir; K.C.S.I.; b. 1881; Chairman, Standing Committee (1912) and President (1916) of the Bombay Mutual Corporation; Elected to the Bombay Legislative Council by the Corporation (1916) to the City Improvement Trust and to the Bombay Port Trust; Chairman, Indian Merchants' Chamber (1918 and 1931); Director of Tata Iron and Steel Co.; Director of The

Bombay Steam Navigation Co.; Minister, Bombay Government (1921-23); Member of the Executive Council of the Government (1923-28); Chairman, Dehra Dun Forest Research Institute Committee (1939); Chairman, Mandi Hydro-Electric-Committee, Punjab (1930); Chairman Salt Committee (1930); Provincial Scout Commissioner; Minister in charge of Co-operation and Agriculture; Introduced the Bill for the Consolidation of Holdings in the Bombay Legislative Council (1928); Chairman of the Bombay Rural Reconstruction Association; Chairman of the Bombay Provincial Co-operative Bank (1929-38); President of the Bombay Provincial Co-operative Institute (1928-35); Vice-Chairman; Indian Central Cotton Committee.

Mehta, Vaikunth Lalubhai, B.A., b. 1891; Managing Director, Bombay Provincial Co-operative Bank; Hon. Manager, Bombay Central Co-operative Bank, (1912-15); Manager (1915-22); Managing Director (Since 1922); Editor, *Social Service League Quarterly* (since 1915); Editor, *the Bombay Co-operative Quarterly* (since 1917); Member, Executive Committee, Bombay Provincial Co-operative Institute; Co-operative Expert, Bombay Banking Enquiry Committee (1919); Member of the Bombay Government Committee on Supervision, 1933; Collaborated with the Registrar, C. S. in drawing up joint Co-operative Reorganisation Report for the Government of Bombay (1937); Conducted Inquiry into Sind Provincial Co-operative Bank, (1938); Member, Board of Experts for Co-operative Rehabilitation in Bihar (1939); Member, Bombay Textile Labour Inquiry Committee, (1937-40); Published: *The Co-operative Movement, the Co-operative Movement in India, Studies in Co-operative Finance.*

Murdeswar Ganesh Padmanabh, B.A., LL.B., Advocate, Bombay; b. 8, 1886; Chairman, Kanara Saraswat Association for 15 years; Chairman, Saraswat Co-operative Housing Society, since its establishment in 1915; Chairman, Bombay Divisional Co-operative Institute, 1928-30; Secretary, Law Committee Bombay Provincial Co-operative Institute since its inception; Member of the Committee appointed to advise Government regarding the Land Mortgage Bank, 1933; Director, Bombay Provincial Co-operative Bank; Chairman, Bank's Law Committee and Land Mortgage Committee, 1932-35; Legal Adviser to several Co-operative Societies including Shamrao Vithal Co-operative Bank, Provincial Bank, and Provincial Land Mortgage Bank, Bombay; Secretary, Shri Ramakrishna Mission Ashram, Khar and Sadbhakti Prasarak Mandali, Jogeshwari, Bombay; Publications:—Law of Inam, Saranjam and Watan (1914).

Patel, Purushotam Ichcharam; Sonsek, Post Dihen; b. 1877; Organised the Sonsek Co-operative Credit Society (1921); District Honorary Organizer (1915); Organised the Surat Sale Union (1930).

Patil Lingangouda; Dharwar; b. 1870; Watander Patil of Hulkoti District, Dharwar; President, Raddi Co-operative Credit Bank; Organised the Hulkoti Co-operative Guaranteeing Union 1917; Organised Hulkoti Union Co-operative Education Society (1921); Member of the Managing Committee of Seeds, Ginning, Cotton Sale and Housing Societies; Director for some years of the Karnatak Central Co-operative Bank, Dharwar; Awarded title of Rao Saheb (1921); Vice-President, Bombay Karnatak Raddi Educational and Social League since 1907.

Rajandnya Rajaram Narayan; b. 1883; Elected Hon. Secretary of the Bombay Co-operative Institute in 1926; Was awarded 'Kaiser-i-Hind' Silver Medal in 1921 for excellent work in Co-operative Movement; Was appointed Director, Bombay Provincial Co-operative Bank; Director, Bombay Co-operative Land Mortgage Bank; and Satara District Land Mortgage Bank; member, Divisional Board of Agriculture, Poona; Satara Rural Development Board; and Provincial Council of the Local Self-Government Institute, 1931; Hon. Auditor of Local Self-Government Institute, Bombay, since 1930; Sarpanch, Gram Panchayat, Atvade Khura; Silver Jubilee and Coronation Medalist; Was appointed a Special Member of the Bombay Legislative Council as an expert for the purpose of small Land Holding Bill.

Saraiya, R. G.; B.A., B.Sc., b. 1898. Partner Narandas Rajaram & Co; Director, Madhusudan Mill, Hind Cycles, Powell Ltd. etc.; Was non-official Adviser during Indo-Japanese trade negotiations; Fellow, Chemical Society; Fellow, Indian Institute of Bankers; Member, Managing Committee, Indian Merchants' Chamber; J.P.; Director, Bombay Provincial Co-operative Bank since 1932; Chairman, since 1939. Chairman, Bombay Co-operative Banks' Association since 1940; Awarded O.B.E. January 1942.

Shah, Devchand Amarchand, M.A., LL.B., b. 15th July 1892; Awarded Manockji Limji Gold Medal by the Bombay University for a thesis open to post graduates; Joined the Co-operative Movement 1918; Auditor 1918-21; Assistant Registrar, Co-operative Societies, Northern Division, Central Division, Bombay Division, and East Kandesh Division. Officer on special duty with the Bombay Provincial Co-operative Banking Enquiry Committee. Officer on special duty in connection with the joint organisation report. Personal Assistant to the Registrar of Co-operative Societies 1931-40; Deputy Registrar, Co-operative Societies 1940-41; Helped the building up, amongst other things, of Cotton Sale Societies in Gujarat, Co-operation amongst Bhils in the Panch Mahals, implements, machinery and agricultural requisite societies and supervising unions in the Deccan. Publications: *Indian Point of View in Economics*; "Rural Credit" in *Co-operation in India*, edited by Prof. H. L. Kaji; A booklet and pamphlet in Gujarati.

Shrekant Laxmidas, M., B.A., b. 1897; Started an Ashram for Bhil boys at Jhalod; Vice-President, Bhil Seva Mandal, Dohad, since 1924; Chairman, Dohad Branch of the Bombay Provincial Co-operative Bank; Organised the Urban Co-operative Bank, Dohad; Responsible for the development of co-operation in Dohad and Jhalod talukas; Member, All-India Congress Committee since 1930; Elected to the Bombay Legislative Assembly in 1937; Vice-Chairman of the B.B. and C.I. Railway Employees' Union, Dohad; Member of District Local Board and Chairman of District School Board, Panch Mahals.

Talmaki, S. S., B.A., LL.B., Gamdevi, Bombay; b. 1870; Retd. Assistant Registrar, Bombay High Court; Organized the Shamrao Vithal Co-operative Bank (1906); Its Chairman for several years; Organised the Saraswat Educational Co-operative Society; Was awarded the title of Rao Sahab (1912); Rao Bahadur (1916); Originator of the Co-operative Housing Movement in Bombay; Organised the Co-operative Housing Association (1913); Formed the first Housing Society—the Saraswat Co-operative Housing Society (1915); Honorary Secretary, Provincial Co-operative Institute Bombay from the start in 1918 till he retired in 1933;

Director, Bombay Provincial Co-operative Insurance Society 1930-32; Published pamphlets on Co-operative subjects; Author of "Co-operation in India and Abroad."

Thakkar, Amritlal Vithaldas, L.C.E., b. 1869; Worked in the Civil Engineering Department for 23 years; Founder and President of the Bhil Seva Mandal, Dohad; Member, Aborigines and Backward Classes, Inquiry Committee (1928); Associated with Co-operative credit work among the depressed classes and the aboriginal Tribes, since (1915); Organised several societies of Harijans in Bombay and Gujarat Towns and for Bhils; Chairman, Advisory Board of Dohad Branch of the Bombay Provincial Co-operative Bank; Member and Vice-President, Servants of India Society; Hon. General Secretary, All-India Harijan Sevak Sangh.

Valvekar, K. R., Hubli, Dharwar; b. 1861; Member, some time, Chairman Managing Committee and President of Hubli Municipality for 33 years; Member, Hubli Taluk Board for 27 years; For some time President and Member of the District Local Board Dharwar; Chairman of the Board of Directors of the Joint Stock Co., and of the Hubli Ginning Factory for 20 years; Census Superintendent, 1901-11 and 1921; Associated from 1906 as Organiser and Chairman of the Hubli Urban Co-operative Bank; Chairman of the Hubli Co-operative Union; Director of the Karnatak Central Bank; Member Executive Committee and of the Provincial Co-operative Council of the Provincial Co-operative Institute, Bombay; Received Coronation Certificate (1911); Was awarded the title of Rao Saheb (1919) and of Rao Bahadur (1925).

CENTRAL PROVINCES AND BERAR

CENTRAL PROVINCES

Ballal, Y.N., B.A., LL.B., Nagpur; b. 1898; Member, Working Committee of the Nagpur Central Bank; Hon. Secretary for some years; Director, The Co-op. Land Mortgage Bank, Nagpur; Keenly interested in rural problems.

Bhargava, P. L., B.A., (Cantab), Bar-at-Law; Seoni; Has been either the Honorary Secretary or the President of the Seoni Co-op. Bank for about two decades; Honorary Secretary, The Seoni Land Mortgage Bank; Life Secretary, Child Welfare and Maternity Association; An enthusiastic agriculturist owning a private demonstration farm and Rural Uplift Centre in one of his villages.

Bhonsule, G. A., B.Com., b. 1890; Joined the service of C.P. and Berar Provincial Co-op. Bank, as Manager on 12-12-1918; Takes active interest in hand-loom industry; Connected with the Nagpur, Premier Co-op. Housing Society, since its inception as its Secretary and as Chairman since 1934.

Bisen, Udai Singh; B.A., LL.B., Rai Saheb; Bilaspur; Honorary Secretary, Bilaspur Central Co-operative Bank since 1928-29 which celebrated its Silver Jubilee in 1940; Governor, C.P. and Berar Co-operative Federation; Has also a seat on the Directorate and Managing Committee of the Provincial Co-operative Bank; Member, Standing Committee of the All-India Co-operative

Institutes' Association; President, Land Mortgage Bank, Bilaspur since its inception; Senior Vice-President, the Chhattisgarh Division Co-operative Institute.

Deshpande, M.G., K.B.E., Sir., b. 21-9-1874; Hon. Secreary, The New English High School for the last 32 years. Malguzar of several villages and an ardent agriculturist; First Class Honorary Magistrate and a member of the Municipality and the District Council for several years. Connected with the local business concerns such as Nagpur Electric Light and Power Co., Nagpur Glass Works etc. A prominent member of the pre-reform and post-reform Legislative Councils. Member, C.P. Banking Enquiry Committee; Member, Indian Central Cotton Committee since 1927, and East India Cotton Association; Occupies a very unique position in the field of Co-operation; Founder, The Nagpur Co-operative Institute; Member, All-India Provincial Co-operative Banks' Association; Chairman, C.P. and Berar Provincial Co-operative Bank, for over two decades.

Deshpande, S. D., Rao Saheb; Warora; Descendant of the oldest historical family of this Province which, during the Bhonsula reign, organised the system of maintaining village records and collection of land Revenue. For these services his family was granted "Maufi Jahagir" in perpetuity. Associated with all the social and political activities in his Tahsil; As a member of the Legislative Council, he had a hand in the establishment of the Nagpur University; One of the pioneers who started the Co-operative Central Bank in Warora and has been its Director and President for a number of years. He has all along represented his Bank on the Provincial Co-operative Bank.

Deshpande, W. V., B.A., B.Com., Bar-at-Law; Nagpur; Hony. Secretary, Co-op. Land Mortgage Bank, Nagpur.

Deshmukh, R. P., B.A., LL.B., Drug; b. 1878; Pioneer of the Co-operative Movement in Drug District; Secretary, The Drug Dt. Co-operative Bank for four years and President, for the last 15 years.

Dhagat, P. S., Pt., M.A., LL.B., Visharad, Damoh; b. 19-6-1898; Secretary, The Co-operative Central Bank, Damoh. since 1925; Prominent member of the Central Board, Northern Co-operative Institute; Member, Managing Committee, Provincial Co-operative Bank, for several terms and Director since many years; An ardent Congressman.

Ghatpande, A. K., Pt., B.A., LL.B., Chhindwara; b. 1892, Honorary Secretary of the Co-op. Bank, Chhindwara since 1925. President, Nerbudda Division Co-op. Institute for a term or two. President, House Building Society, Chhindwara; Member, C.P. Federation Executive Council, and the sub-committee appointed to overhaul the Co-operative Societies Act; Member, Managing Committee of the Provincial Bank for many years and its Director all along.

Gupta, P. L., b. 1891; Manager, Co-operative Central Bank, Bilaspur since its start in 1915. His services have been appreciated by officials and non-officials; Awarded Silver Jubilee Gold Medal by the Bank in 1940.

Kaluram Sadh, Pt., President, Nimar Dt. Bank, Khandwa; Retired Jailor; Enthusiastic Co-operator of the Nimar District. Secretary of the Co-operative Bank for a long time and now its President since eight years.

Kamavisdar, K. G., b. 1898; Manager, Co-operative Central Bank, Nagpur; since 1925; Asst. Secretary, the Nagpur Divisional Co-op. Institute; Hony. Manager, Nagpur Land Mortgage Bank.

Kekre, N. R., B.A., LL.B., Malguzar, Harda. Joined the Co-operative Movement in 1917. Joint Hony. Secretary, Harda Central Bank for three years and Hony. Secretary since 1920-21. Has been all along representing the Central Bank in the Directorate of the Provincial Bank and was also on its Managing Committee for two years; Member, Central Board of the Nerbudda Division Co-operative Institute 1931-1935; Hony. Secretary, the Local Supervision and Education Committee.

Kecher, M. L., B.A., LL.B., Narsinghpur; Founder Member, Honorary Secretary and President of Narsinghpur Co-op. Bank, for several years. President, Jubbulpore Co-op. Institute for a long time; With a few breaks, he has been on the Provincial Bank's Managing Committee; Representative for All-India Co-op. Conferences at Simla and Hyderabad; Founder of Narsinghpur Grain Dealers' and Land Lords' Co-op. Societies. Member, Working Committee, Land Mortgage Bank.

Lakhe, W. B., Pt., B.A., Raipur; b. 1872; Malguzar and eminent lawyer. President, Raipur Municipal Committee for two terms; Secretary to start with and now President of the Raipur Co-op. Bank since its inception in 1913; Founder and President, Chhattisgarh Co-op. Institute; Member, Executive Council of the C.P. and Berar Co-op. Federation; Prominent member of the Provincial Co-op. Bank's Managing Committee continuously for 25 years. A staunch Congressman.

Lange, D. G., B.A., LL.B., L.T., Cert. A.I.I.B., b. 1892; Entered Co-operative Service as Secretary of the C.P. Federation in 1920; Inspector in Provincial Co-operative Bank, 1922; Working as Asst. Manager since 1926; Awarded gold medal by the Provincial Bank at its Jubilee in 1937.

Mitra, Sushil Chandra; B.A., B.L., Rai Saheb, Bilaspur; Elected as Joint Secretary of the Bilaspur Central Co-operative Bank, 1920-21; Vice-President, 1925-26; President since 1928-29; Vice-President, the Bilaspur Land Mortgage Bank; Director, the C.P. and Berar Provincial Co-operative Bank, Nagpur and of the Bilaspur Co-operative Dairy; Honorary Secretary, the Dispensary Fund Committee, Bilaspur; Honorary Treasurer, Indian Red Cross District Committee, Bilaspur.

Mukhtyar, C. C., M.A., b. 11-8-1903; Appointed Asst. Registrar, 1929; Asst. Registrar of Co-operative Societies at Hoshangabad, 1930-37; Asst. Registrar in charge of Land Mortgage Banks, 1937-40; At present Asst. Registrar in charge of Rehabilitation Enquiries.

Munje, R. B. H. S., M.A., LL.B., b. 1878; Joined the Provincial Judicial Service, 1903, and retired from service as a District and Sessions Judge; Director and Member, Managing Committee and Legal Adviser of the Provincial Co-operative Bank for seven years; Director and Member, Managing Committee, Nagpur Central Bank for three years; Member the Regional Transport Authority, Nagpur; Registrar of Marriages, Nagpur District; Member, Advisory Committee, Court of Wards—Senior Bhonsale Estate, Nagpur; Director, and Member Managing Committee, C.P. Potteries, Nagpur; Managing Director and Chairman, Association Chemicals, Ltd., Nagpur.

Pande, K. P., Pt., M.A., LL.B., Sihora; Governor, C. P. and Berar Co-op. Federation for about 15 years; Member, The Provincial Bank's Managing Committee for several terms; A prominent member of the Provincial Legislature since 1922.

Phanse, K. V., Pt., Sihora; b. 9-4-1891; Secretary, the Sihora Co-operative Central Bank and now its Vice-President; Director, The Provincial Co-operative Bank.

Puranik, W. R., B.A., LL.B., Nagpur; b. 1886; Associated with various public activities in the field of Co-operation. President, Central Co-op. Bank, Nagpur and Land Mortgage Bank, Nagpur. Acted as a High Court Judge in 1937 and again in 1939-40.

Rege, D. V., B.A., (Cantab.), I.C.S., b. 18-9-1897; Responsible for founding Lady Butler Hospital for women and children, Khandwa and the Jubilee Memorial Hospital for women and children, Khamgaon in 1937; Appointed as Registrar, Co-operative Societies and Director of Industries, in April 1939 and is also Secretary, the Village Uplift Board C.P. and Berar.

Sapre, G. B., B.A., Manager Raipur Central Bank since 1919; President, Raipur Co-operative Consumers' Society; Secretary, Raipur Co-operative Dairy Society; Hony. Manager, The Land Mortgage Bank and the Chattisgarh Co-operative Institute.

Seth Motilal, R. B., b. 1865; Close associate of Mr. H. R. Crosthwaite. Founder of the first Co-operative Society, viz., Deo-Piparia in the Province, 1905; With the break of a very small duration he has been the President of the Piparia Co-operative Bank; Member, The Notified Area Committee and the Debt Conciliation Board; Awarded Rai Bahadur, 1935; Has been all along, with the exception of a year or two, a Director of the Provincial Co-op. Bank.

Tiwari, P. S., Pt., B.A., LL.B., Sohagpur; President, The Co-op. Central Bank, Piparia, 1921-25; President, The Jubbulpore and Nerbudda Division Co-operative Institute for three years since 1927 and thereafter its Secretary for another two years. Member, Executive Council, C. P. Federation for nearly 12 years, with intermittent breaks; Member of the Federation sub-committee appointed in 1925 and of the Land Mortgage Banks' Enquiry Committee; Presided over various co-operative conferences in the northern districts of the province.

BERAR

Abhyankar, L. R., B.A., LL.B., Yeotmal; b. 1883; Honorary Secretary, Yeotmal Municipal Committee, 1907-1909; President, 1924; Director, Yeotmal Central Bank, 1916-1940; President, Yeotmal Land Mortgage Bank from its inception; Represented the Yeotmal Central Bank on the C. P. and Berar Provincial Co-operative Bank, the C. P. and Berar Co-operative Federation as also on the standing committee of the Berar Co-operative Institute.

Bhokre, L. B., Director, Co-operative Bank, Ellichpur 1932; Vice-President for 3 years and President for 4 years; Deputy President, Berar Co-operative Institute for 3 years; Director, the Provincial Co-operative Bank, Nagpur; Member, the committee of management, Ellichpur Central Bank.

Brahma, K. V., Dewan Bahadur; b. 1878; Member, Amraoti Central Bank, 1913; Secretary C. P. Legislative Council, 1921-23; President, Berar Co-operative Institute since 1922. Member of the Committee appointed to report on the starting of Land Mortgage Banks in C. P. and Berar. Represented Central Provinces at all the Registrars' Conferences held in India. Chairman, Reception Committee, All-India Co-operative Conference held at Amraoti in 1934, Vice-President, All-India Co-operative Institutes' Association; Member, C. P. Banking Enquiry Committee, 1928-30. Appointed Chairman, Council of Administration, Sangli State; Author of the publication, "Law of Co-operative Societies in India and Burma."

Deshmukh, R. V., Mehkar; b. 1889. Member, Local Board, Mehkar; District Council, Buldana for 16 years; President, Mehkar Municipal Committee; Director, Vidarbha Mills, Ellichpur; Director and member of the working committee, Mehkar Central Bank from the very beginning; Hony. Secretary, 1925-29; Vice-Chairman for the last 5 years; Director, Provincial Bank, Nagpur; Member, Standing Committee, Berar Co-operative Institute and later its Secretary; Member, Working Committee, Taluk Agricultural Association; Secretary, Mehkar Land Holders' Co-operative Association since its inception; Vice-Chairman, Co-operative Land Mortgage Bank, Mehkar since its establishment.

Deshpande, A. Y., Dr. Director, The Ellichpur Central Bank since 1926; Vice-Chairman for about 3 years.

Deshpande, N. B., B.A., LL.B., Yeotmal; b. 1888; Director, Yeotmal Central Bank, 1917; Hony. Secretary of the Bank for over 10 years; Vice-Chairman and for some time Chairman, The Yeotmal Taluk Board.

Deshpande, Y. K., M.A., LL.B., Yeotmal; b. 1884; Hony. Secretary, Yeotmal Central Bank, 1913-1918. Represented India at the International History Congress held at Zurich in Switzerland, and also at the International Orientalists Congress held at Brussels in Belgium, 1938. Editor of several ancient Marathi Works. Member, Indian Historical Records Commission, since 1928.

Dixit, G. S., B.A., B.L., Mehkar; b. 1882; Vice-Chairman, Local Board, 1910-1925; Chairman, Mehkar Taluk Agricultural Association; and Local Supervision Committee; Legal Adviser of the local Land Mortgage Bank; Hony. Secretary, Mehkar Co-operative Central Bank, 1914-1926; Vice-Chairman, 1926-1932; and Chairman since 1932; Has represented the Bank in the Federation, the Provincial Bank, and in the Provincial and All India Co-operative Conferences.

Godbole, G. N., Pleader, Ellichpur; Joint Secretary, Ellichpur Central Bank, 1918-1923; President, 1923-1934.

Hazari, G. C., B.A., LL.B.: Honorary Secretary, Central Bank, Ellichpur since 1937; Member, Ellichpur Municipal Committee and Taluk Board.

Jatkar, B. H., B.A., LL.B., Yeotmal: b. 1880. First elected Chairman, Yeotmal Municipal Committee, 1919-1925; Member, Indian Legislative Assembly, 1921-1924. Director, Co-operative Central Bank, Yeotmal, 1919; President, 1925-1932 and again from 1933-35. Deputy President, Berar Co-operative Institute, 1929-1932; Member, C. P. and Berar Legislative Assembly, 1937; Represents the C. P. and Berar Provincial Co-operative Bank, Nagpur, on the Co-operative Land Mortgage Bank, Yeotmal and on the Committee of management of the Yeotmal Central Bank; Legal Adviser, Land Mortgage Bank, Yeotmal.

Joglekar, M. G., Pleader, Yeotmal: b. 1885. Director, Yeotmal Central Bank, 1926-1940; Secretary, 1929-1934. Represented the Bank on the Directorate of the C. P. and Berar Provincial Co-operative Bank, Nagpur as also on the C. P. and Berar Co-operative Federation.

Kane, D. K., Izardar, Yeotmal: b. 1879. Member, C. P. Legislative Council for 3 years; Member, Indian Central Cotton Committee; Hony. Secretary, Yeotmal District Association for many years. Director, Yeotmal Central Bank, 1922; Member, Committee of Management since 1923. Managing Director, The Co-operative Adat Shop since its organisation in 1928; Hony. Secretary, Co-operative Bank, Darwar since 1930. Represented the Yeotmal Central Bank on the standing committee as also the Board of the Berar Co-operative Institute for many years and the Darwar Central Bank on the Directorate of the C. P. and Berar Provincial Co-operative Bank, Nagpur and the C. P. and Berar Co-operative Federation.

Kane, S. K., Dr., b. 1887; The first elected President, Yeotmal District Council, 1919-1925; Vice-President, Municipal Committee, Yeotmal for over 12 years. Director, Yeotmal Central Bank, 1917-1940 with a gap of about 5 years.

Khare, R. M., B.A., LL.B., O.B.E., Rao Bahadur, Amraoti; b. 1882; Director, Amraoti Central Bank, 1913; Hony. Secretary, 1916; Chairman, 1921-1933 and since 1940. Deputy President, Berar Co-operative Institute from its very inception; Chairman of the Local Board for 15 years; President, Amraoti Camp Municipality and Vice-President of the Town Committee; Member, Managing Committee of the Provincial Bank and the Board of Directors for a number of years continuously.

Kolhe, M. P., B.A., LL.B., Banker and Land Lord, Zadgaon, (Yeotmal): b. 1893. Director, Yeotmal Central Bank, 1920; Chairman since 1931. Represents the

Yeotmal Central Bank on the C. P. and Berar Co-operative Federation and on the Directorate of the C. P. and Berar Provincial Co-operative Bank, Nagpur; Vice-President, Yeotmal Co-operative Land Mortgage Bank since 1935. Deputy President, Berar Co-operative Institute, Amraoti; Nominated Member of the Gole Committee; Member, C. P. Legislature since 1923. Member, Indian Central Cotton Committee, for a number of years; Chairman, District Council, Yeotmal 1928-1930.

Kulkarni, G. L., Morsi: b. 1898. Chairman, Central Bank, Morsi. Secretary, Hivarkhed Co-operative Society. Secretary, C. P. and Berar Conference held at Morsi, 1927. Member, Morsi Local Board and Amraoti District Council for several years. Represents the Morsi Central Bank on the Board of Directors of the C. P. and Berar Provincial Co-operative Bank, Nagpur for the last 3 years.

Pangarkar, G. K., Advocate, Ellichpur: Hony. Secretary, The Co-operative Central Bank, Ellichpur, 1932 and also a member of the Board of Directors. One of the organisers of the Urban Co-operative Bank at Ellichpur and is its Chairman. Director, Peoples' Bank, Ellichpur and Vidarbha Mills, Berar.

Pangarkar, K. N., Rao Saheb; Pleader, Ellichpur: First President, Central Bank, Ellichpur, 1917-1922; Hony. Treasurer for a number of years.

Patil, U. S., Rao Bahadur: Founder, The Village Panchayat Board, Berar; Member, C. P. Legislative Council for more than ten years; C.P. Board of Agriculture and Industry; District Motor Transportation Committee; Provincial Co-operative Bank, Nagpur and Land Mortgage Bank, Amraoti: Member, Amraoti District Council for many years and its Chairman, 1936-1939; President, The Joint Board, Berar. Director, The Central Bank for the last 15 years and now Chairman.

Pingle, T. R., B.A., LL.B., b. 1884; Chairman, Morsi Central Bank, 1919-1935; Chairman, Reception Committee, Amraoti District Co-operative Conference, 1924; General Secretary, C. P. and Berar Political Conference held at Morsi, 1927; Was on the Co-operative Deputation sent to Bombay Presidency for studying the working of the Cotton Sale Societies, 1926; Deputed by the C. P. Government to study the working of Land Mortgage Banks in the Punjab, 1931.

Ranadive, S. D., B.A., LL.B., Rao Saheb, Amraoti; Hony. Secretary, Amraoti Central Bank for several years: Berar Co-operative Institute for the last 12 years: Amraoti City Library; President, Municipal Employees' Association and Scheduled Castes Amalgamated Hostel, Amraoti.

Saoji, Motiram Ramsa, B.A., LL.B., Mehkar; b. 1897; Member, Buldana District Council, 1925-1928; Hony. Secretary, Mehkar Co-operative Central Bank since 1929; Represented the Mehkar Bank on the Directorate of the Provincial Bank since 1932.

Saoji, S. T., Samaj Bhushan, Rao Saheb; Mehkar; b. 1886; Chairman, Mehkar Central Bank, 1926-32; Director, since its establishment.

Savdekar, B. R., B.A., LL.B., b. 1893; Hony. Secretary, Co-operative Central Bank, Buldana since 1933; Chief Organiser and Hony. Secretary, The Co-

operative Stores, Buldana; Member, Municipal Committee, Buldana for 18 years, Member, standing committee, Berar Co-operative Institute and also Director, Provincial Co-operative Bank, Nagpur.

Soman, V. K., Mehkar: b. 1885. Chairman, Mehkar Co-operative Land Mortgage Bank since its establishment; Member, Mehkar Taluq Agricultural Association; and Mehkar Municipal Committee for a number of years; Vice-Chairman, Berar Co-operative Institute.

MADRAS

Annadurai Iyer, S., Nangavaram, Trichinopoly District; b. 1895; Secretary, Co-operative Credit Society, Nangavaram since 1921; Kulitalai Co-operative Land Mortgage Bank since 1927; Kulitalai Co-operative Bank 1924-1940; Director, Trichinopoly District Co-operative Credit Bank since 1928; Member, Executive Committee, Madras Co-operative Central Land Mortgage Bank, 1928-1932; President, Co-operative Consolidation of Holdings Society, Nangavaram from 1939; Assistant Secretary, Trichinopoly Urban Co-operative Stores from 1939; Member, The Trichinopoly District Board, 1928-1934; President, Kulitalai Taluk Board 1928-1932; President, Panchayat Board from 1934 to date; Vice-President, Trichinopoly Circle Temple Committee 1934-1959.

Bhashyam Ayyangar, K., B.A., B.L., b. 1882; Secretary, Madras Provincial Co-operative Union; Director, South India Co-operative Insurance Society; Member, Madras Committee on Co-operation 1939-40; Member, Madras Legislative Assembly; Member, Syndicate, Madras University; Vice-President, The Madras Provincial Co-operative Bank, for some time; Leader of the Congress Party in Madras Corporation, 1937-38; Member, Madras Bar Council; Author of the "Law of Negotiable Instruments in British India".

Bheemaiah Setty, D. Rao Sahib; Merchant, Hindupur; b. 1st Feb., 1901; President, Hindupur Co-operative Town Bank; Member, District Central Co-operative Bank, Anantapur; Assistant Secretary, Secretary, and Director, Town Bank for about 12 years; Vice-Chairman for 4 years; Chairman for 3 years and Councillor, Hindupur Municipality for 10 years; Member, Taluk Board, Penukonda Division for 4 years; District Board, Anantapur for 4 years; Director, Vysya Bank, Bangalore; Director, The South India Co-operative Insurance Society, Madras; Member, Debt Conciliation Board, Penukonda.

Chinnaiya Pillai, T. M., M.A., B.L., Rao Sahib; Salem b. 15th April 1895; President, Salem Dt. Urban Bank; President, Salem Land Mortgage Bank; President, Salem Loan and Sale Society; President, Salem Milk Supply Union; Vice-President, Madras Provincial Co-operative Union; Member, Executive Committee, Madras Provincial Co-operative Bank; Director and Legal Adviser, Salem Urban Co-operative Society; Member, Executive Committee, The Co-operative Fire and General Insurance Society, Madras; Public Prosecutor, Salem from 1937; Chairman, Salem Municipal Council 1932-35.

Dasaratharama Reddy, Rebala, B.A., (Hons.), LL.B., Nellore, b. 30th November 1907; Member, Board of Management, The Nellore District Co-operative Bank since 1933; President, District Co-operative Bank, Nellore; Member, Executive Committee, Madras Provincial Co-operative Bank since 1938; Executive Committee, The Nellore District Co-operative Marketing Federation; District Board, Nellore, since 1939; Andhra University Senate since 1940.

Deivasikhamani, K., Dewan Bahadur; b. 1881; Retired Registrar of Co-operative Societies; President, Co-operative Central Bank, Conjeevaram for several years; Member, Madras Legislative Council for some time; Director and Member, Executive Committee, The Madras Central Co-operative Land Mortgage Bank; Director, The Madras Provincial Co-operative Bank for some time; Member, Board of Experts appointed by the Congress Government, Bihar in connection with rehabilitation of Co-operative Movement; Deputed by the Provincial Government, Orissa, to conduct an enquiry into the working of the movement and reported in 1938; Member, Madras Committee on Co-operation 1939-40.

Ganapati Aiyar, E. S., B.A., B.L., Erode, b. 15th Oct. 1882; President, Erode Co-operative Urban Bank for six years; Coimbatore District Co-operative Audit Union for three terms; Director, the Coimbatore District Urban Bank; Ex-President of the Erode Co-operative Stores; Erode Co-operative Loan and Sale Society; Member, Board of Management, the Madras Provincial Co-operative Union; Member, Madras Central Land Mortgage Bank; President, The Erode Co-operative House Mortgage Bank; Municipal Councillor for three terms; Chairman-Delegate for some time; Member, Taluk Board, Erode; Coimbatore District Educational Council; Debt Conciliation Board, Erode.

Gangadhara Sastry, L., Land-lord, Hindupur, Anantapur District; b. June 1884; Honorary Magistrate, Hindupur; Member and Vice-Chairman Hindpur Municipal Council; Honorary Assistant Registrar of Co-operative Societies, Hindupur; Hony. Secretary, Hindupur Rural Co-operative Credit Society; Town Co-operative Bank; Co-operative Loan and Sale Society; Local Supervising Union; Anantapur District Co-operative Federation; Co-operative Central Bank; Vice-President, and President, Anantapur District Co-operative Central Bank; President, Hindupur Co-operative Town Bank; Co-opted Director, Hindupur Labour Co-operative Union; Member, Board of Management. The Madras Provincial Co-operative Union; Standing Committee, All-India Co-operative Institutes' Association.

Gangaraju, Mothey; Dewan Bahadur; Zamindar of Vissannapeta, Gundapalli Estates, Ellore; b. 1874; President, Co-operative Central Bank, West Godavari District, Ellore, from the starting of the Bank for more than 20 years; Member, Pre-reform Legislative Council, Madras.

Giriappa, M., Rao Bahadur., b. December 1885; Retired as Joint Registrar of Co-operative Societies and joined immediately the movement as a non-official co-operator; President, Madras District Co-operative Central Bank; Director and Member, Executive Committee, The Madras Provincial Co-operative Bank; Member, Madras Committee on Co-operation, 1939-40; Visited Japan to study the movement in 1940.

Gopal Menon, C., Rao Bahadur; b. 1877; Hony. Treasurer and Director, Madras Co-operative Central Land Mortgage Bank, Madras; Vice-President, Madras Provincial Co-operative Bank; Director, Madras Provincial Co-operative Union; Director, South India Co-operative Insurance Society, for some time; Member, Board of Management, The Co-operative Fire and General Insurance Society, Madras; Elected to the 2nd and 3rd Legislative Councils by the Southern India Chamber of Commerce; Vice-President, Southern India Chamber of Commerce; Honorary Magistrate for some time in the City of Madras; Trustee, Madras Port Trust; Director, United India Life Insurance Company for several years and Director, Indian Bank; Member, Local Board, The Reserve Bank of India; Was for a long time, Member of the Senate and Academic Council of the University of Madras; was also President of the Faculty of Commerce; At present Chairman, Text-Book Committee (Commerce Group) and Chairman, Board of Examiners for Government Technical Examinations in Commerce; Travelled in Europe and studied the working of Co-operative Institutions 1922.

Gurumurthi, P., Dr., Medical Practitioner, Rajahmundry; b. 28th June 1884; President, Rajahmundry Co-operative Central Bank; The Innespeta Co-operative Urban Bank; The Local Co-operative Union; Co-operative Crop Loan and Sale Society; Co-operative House Building Society; The Ramadas Co-operative Training Institute; Sri Krishna Co-operative Stores; Co-operative Land Mortgage Bank; East Godavari District Co-operative Federation; and Andhra Co-operative Union, Rajahmundry; Director, Rajahmundry Co-operative Milk Supply Society; Director, The South India Co-operative Insurance Society, Madras; Vice-President, Madras Provincial Co-operative Union; Director and Member, Executive Committee, The Madras Provincial Co-operative Bank, Madras; Member, Standing Committee, All-India Co-operative Institutes' Association; Member, Standing Committee, Indian Provincial Co-operative Banks' Association; Chairman and Member, Municipal Council, Rajahmundry for some time; Member, District Harijan Advisory Board; President, East Godavari District Harijan Sevak Sangh; President, Andhra College of Commerce, Rajahmundry; Member, Madras Medical Council; Member, Executive Committee and Vice-President, Andhra Branch of Indian Medical Association.

Kalidas, K., Advocate, Vizagapatam; b. 24th Nov. 1901; Director, Co-operative Central Bank; Vizianagaram from November 1929; President since 1936 (excluding the period of supercession from 7-9-36 to 6-10-37); Director, Madras Provincial Co-operative Bank.

Krishnaiah Choudary, P. V., Guntur; b. 1901; Hony. Assistant, Registrar of Co-operative Societies, 1920; Director, Guntur Central Bank; Madras Central Land Mortgage Bank; Madras Provincial Co-operative Bank; Member, Madras Legislative Council (before 1937); President, District Educational Council; Member, Andhra University Syndicate for two terms; President, District and Taluk Boards for some time.

Krishnamurthi, M., Dr., M.B.B.S., B.Sc., M.S., b. 14-8-1903; Director, South India Co-operative Insurance Society.

Krishna Sastri, P V., Bazwada; b. 10th May 1893; Honorary Secretary, The Vizivada Co-operative Central Bank, Bezwada; Vice-President since 1939; Repre-

sentative on the Board of Management, Madras Provincial Co-operative Bank, 1929-35.

Krishnaswami Ayyangar, R., B.A., B.L., b. 23rd Nov. 1886; Assistant Secretary, Secretary and President, South Arcot Co-operative Central Bank for some time; Chairman, Special Committee for two years and now a member; Formerly, Vice-President, Loan and Sale Society, South Arcot; Director, Pudukalayanam Co-operative Stores for 28 years and President for the past 8 years; Director, Pudukalayanam Urban Bank and Director Audit Union for some time; Co-operative Propagandist for South Arcot for some years; Chairman of the Rural Reconstruction Centre, Tirupachanur for two years; One of the members of the Committee of nine persons appointed by the Government for drafting the Co-operative Societies Act (Bill) VI of 1932; Member, Board of Management of the Madras Central Urban Bank for some years; The Board of Management, Provincial Co-operative Union for some years; Assistant Secretary and President, Bar Association for some years; President, South Arcot District Journalists' Association; Government Pleader for 3 years and Ag. Public Prosecutor for 4 months during 1927 and 1930.

Kumaraswami Raju, P. S., M.L.A., b. June 1898; President Ramnad District Board; Director, The Madras Co-operative Central Land Mortgage Bank; President, The South India Co-operative Insurance Society; President, Madura Ramnad Co-operative Wholesale Stores; Member, Executive Committee of the Madras Provincial Co-operative Union; Member, All-India Congress Committee; Member, Working Committee of the Tamil Nadu Congress Committee; Estate Land Act Enquiry Committee; Board of Industries; President, The Pudukalayanam Co-operative Society; Secretary, Srivilliputhur Co-operative Supervising Union; Vice-President and President Srivilliputhur Banking Union; President, The Bhupathi Raju Co-operative Bank, Rajapalayam from 1924; Director, Srivilliputhur Taluk Land Mortgage Bank; Director, The Madras Provincial Co-operative Union; Member of the District Education Council from 1938; Its Vice-President till May 1936.

Lokanathan, P. S., M.A., D.Sc., (Econ.) London; b. October 1894; Director and Vice-President, Triplicane Urban Co-operative Society; Ag. Professor of Economics, University of Madras; Member of the Senate, Academic Council and Boards of Studies in Economics and Commerce, The University of Madras; Member, Board of Studies in Economics, Annamalai, Andhra and Travancore Universities; Member, Editorial Board, The Indian Journal of Economics; Executive Committee of the Indian Economic Association; Member, The Consultative Committee of the Government of India for Post War Reconstruction; Address:—'Bhargava,' Edward Elliotts Road, Mylapore, Madras.

Manikka Mudaliyar; Vellore; b. 26th March 1888; Honorary Secretary, Government Telegraph Employees' Co-operative Society, Madras 1924-1927 and since 1932; Director, Christian Central Co-operative Bank, Madras, 1925-1930; Director, The Madras District Co-operative Central Bank, since 1930; President, Central Co-operative Printing Works 1932-1934; President, Pedunaickenpet Co-operative Society, 1931-35; Hony. Arbitrator, Co-operative Societies, Madras, since 1932.

Marthandam Pillai, P.N., B.A., B.L., Rao Bahadur; b. 5-3-1885; President, Egmore Co-operative Society; Was President, Triplicane Urban Co-operative

Society for some years; Represented Tinnevely Rural in the Madras Legislative Council, 1923-26.

Murthy, B. S., B.A., B.Ed., M.L.A., b. 29th Oct. 1906; Senate Member, Andhra and Madras Universities; Ex-Parliamentary Secretary to the Minister in charge of Co-operation; Member, Co-operative Enquiry Committee 1940; Author and Journalist; Editor 'Navajeevana' a Telugu monthly; Secretary, Madras City Harijan Sevak Sangh; Joint Secretary, Andhra Harijan Sevak Sangh; President, Madras Basic School.

Nallakutalam Pillai, R.G., Pleader, Srivilliputtur; b. 1889; Member, Srivilliputtur Urban Bank; and Member, Executive Committee, Srivilliputtur Banking Union 1920-24; Director 1920-32; Secretary, Srivilliputtur Weavers' Society, 1919-26; Hony. Asst. Registrar for about 10 years since 1920; President, Trading Union 1922-35; President, Srivilliputtur Supervising Union 1928-35; Secretary, Ramnad District Federation 1929-30; Member, Governing Body, Tamil Nadu Co-operative Federation; Member, Ramnad District Educational Council for 9 years; Municipal Council, Srivilliputtur for 9 years; its Chairman 1925-28. Editor, 'Country Herald' since 1939.

Narasimha Rao, K.L., B.A., B.L., b. 1903; Member, Standing Committee, All-India Co-operative Institutes' Association; Executive Committee, The Madras Co-operative Central Land Mortgage Bank; Board of Management of the Madras Provincial Co-operative Bank; Ex-Member, Executive Committee and Treasurer of the Madras Provincial Co-operative Union.

Narasimha Rao, S. V., B.A., Rao Bahadur; Pleader, Kurnool; b. 21st October 1873; President and Director Kurnool Urban Credit Bank; President, Kurnool District Central Bank; Ex-member Board of Management, Provincial Co-operative Bank, Madras; Chairman, Kurnool Municipality; Vice-President, Kurnool District Board; President, District Educational Council; Member, Andhra University Senate.

Narayanaswami Iyer, O.A., B.A., B.L., b. 31st January 1898; Member, Board of Management, The Madras Provincial Co-operative Bank; Director, South India Co-operative Insurance Society; and the Fire and General Insurance Society, Madras; Director, Tanjore Co-operative Central Bank; Secretary, Hood Co-operative Institute; President, Tanjore Loan and Sale Society; Author of dramas, books and pamphlets on co-operation in Tamil.

Narayanaswamy Naidu, B. V., M.A., B.Com., Ph.D., Bar-at-Law; b. 11th March 1902; President, Chidambaram Paddy Sale Society; Director, Land Mortgage Bank, Chidambaram; President, Co-operative Poultry Society, Annamalai Nagar; Director, Chidambaram Milk Supply Society; Vice-President, Annamalai University Students' Co-operative Stores; Member, Debt Conciliation Board, Chidambaram; Member, Advisory Board, South Arcot Urban Bank; Director, Chidambaram Co-operative Stores; Member, Senate, Academic Council and Syndicate, Annamalai University; General Secretary, All-India Economic Association; President, Adult Education Association; Member, Rural Finance Sub-Committee of All-India Planning Committee; Member, Consultative Committee of Economists to the Government of India.

Narayana Rao, M., B.A., B.L., M.L.C., Anantapur, b. Aug. 1884. Secretary, Divisional Co-operative Union, Penukonda, 1908-13; Secy., Town Bank, Penukonda 1912-1920; Director, Anantapur District Co-operative Central Bank 1919-1941; President of the District Central Bank 1924-1927 and 1935-1938; President, Land Mortgage Bank, Hindupur since 1939; Member, District Board, Anantapur 1917-20; Member, Municipal Council, Anantapur 1920-27; Congress Member, Madras Legislative Council; One of the promoters and Directors, The Rayalaseema Bank, started at Bellary in 1939.

Paramasivam Pillai, L. N., Rao Sahib; Mirasdar, Lalgudi; b. July 1893; Director, Trichinopoly District Co-operative Central Bank, from 1927; Vice-President from 1930 and President from 1940; President, The Trichinopoly District Co-operative Federation; Member, Executive Committee, The Tanjore Marketing Federation; Member, Board of Management, The Fire and General Insurance Society; Director, The Madras Provincial Co-operative Bank; Founder of the Kuhur Co-operative Society started in 1919; Director, Lalgudi Sivagnanam Co-operative Agricultural Society since 1925; President 1932-33; President from 1933, President, The Kuhur Land Reclamation Co-operative Society, since its inception in 1928; Secretary, The Lalgudi Co-operative Union 1926-35; Vice-President from 1937; Secretary, The Lalgudi Land Mortgage Bank from 1930; President, The Lalgudi Co-operative Stores from its inception in 1940; Member, The Trichinopoly District Board 1917-1935; President, The Trichinopoly District Educational Council; Director, The Trichinopoly District Agricultural Association from its starting; One of the Secretaries of the Madras Provincial Union of Panchayats from 1938.

Pattabhi Sitharamayya, B., Dr. B.A., M.B. & C.M., Masulipatam; b. 28-11-1880; Hony. Secretary, Kistna Central Co-operative Bank, Masulipatam, 1918-1926; Founder of Gudlavalleru and Vadlamannadu Land Mortgage Banks and President of the latter 1928-30; Member, Executive Committee—Madras Provincial Co-operative Bank 1926-30; Member, Committee on Co-operation Madras, 1939-40; Member, All-India Congress Committee; Member, Working Committee of the Indian National Congress for several years; President, Andhra Provincial Congress Committee; Chairman, Andhra Insurance Company for some time; Chairman, Hindustan Mutual Insurance Society.

Pichaiya, Viruru, B.A., Cuddapah; b. 18th August 1872; Director and Treasurer, Town Bank, 1915; President, District Central Bank 1917-1936; was Director of the Provincial Bank representing the Central Bank; President, Land Mortgage Bank when started; Chairman, Municipal Council, Cuddapah; President, Taluk Board, Cuddapah; Member, Senate of the Madras University; Vice-President, District Educational Council, Cuddapah; Member, Debt Conciliation Board, Cuddapah. Awarded Rao Sahab 1936.

Prakasarao, D. V., B.A., b. 15th December 1864; President, District Co-operative Bank, Cocanada 1919-1927; Director since 1939 to-date; Assistant Secretary, and Treasurer, Indian Famine Relief Fund 1897-1899; Member, Pittapur Rajah's College 1895-1900; Member, Cocanada Municipal Council for several years and its Vice-Chairman 1921-1925; Member, Cocanada Plague Committee 1900-1903; Secretary, East Godavari District Association 1913-1937 and from 1940; Member, Cocanada Taluk Board 1913-1924; Member, East Godavari District Board 1919-1923;

Member, and Vice-President, District Educational Council, East Godavari for 12 years; Assistant Secretary and Treasurer, Indian War Relief Fund, 1914-1916; Member, Price Control Committee, Godavari District 1918-1919; President, District Co-operative Banking Union, Cocanada 1919-1927; Secretary, Irrigation Advisory Board, Godavari Eastern Delta 1926-1934; President, Irrigation Advisory Board, 1934-1940.

Raghavendra Rao, T., b. 22nd July 1889; Member of the Association of Certified and Corporate Accountants, London; Chief Accountant, Madras Provincial Co-operative Bank from November 1911; and Secretary from October 1937; Representative of the Bank in Southern India Chamber of Commerce; Director, The Central Co-operative Printing Works, Madras; Visited Japan to study the movement in 1940.

Rajabadar Mudaliar, A., B.A., Rao Bahadur; b. 1806; President, Co-operative Central Bank, Conjeeveram; First President, Co-operative Land Mortgage Bank, Conjeeveram; Secretary, The Madras Provincial Co-operative Union; Member, Chengleput District Board and Councillor, Conjeeveram Municipality.

Rajagopalachari, C., B.A., B.L., Bezwada; b. 10th January 1879; Director, The Vijayavada Co-operative Bank from 1918; President, The Andhra Co-operative Institute, Bezwada from 1929; Director, The Gandhi Urban Bank, 1928-1939; Chairman, Municipal Council, Bezwada from 1938.

Ramadas Pantulu, The Hon'ble, V., B.A., B.L., 'Farhatbagh', Mylapore, Madras; b. 1873; Member, Central Committee, International Co-operative Alliance, London; President, The Indian Provincial Co-operative Banks' Association and the All-India Co-operative Institutes' Association; Editor, *The Indian Co-operative Review*, *The Year-Book and Directory of Indian Co-operation*, 1942; President, The Madras Provincial Co-operative Bank from 1926 to May 1941; President, The Madras Provincial Co-operative Union from 1926 to December 1940; President, The South India Co-operative Insurance Society from January 1932 to August 1941; Member, Indian Central Banking Enquiry Committee; Townsend Committee on Co-operation, Madras, 1927; Committee on Co-operation, Madras 1939-40; Chairman, Board of experts appointed by the Congress Government for the rehabilitation of the Co-operative Movement in Bihar; Delegate from India to the 14th Session of the International Co-operative Congress, 1934; Leader, Congress Party in the Council of State; Member, Indian Central Cotton Committee; Chairman, Rural Finance and Marketing Sub-committee of the National Planning Committee; President, Andhra Provincial Board of the Harijan Sevak Sangh; Vice-President, Madras Economic Association; Member, Governing Body of the Indian Research Fund Association; Senate and Academic Council of the Madras University and Chairman Board of Studies in Telugu for several years; Member, Court of the Delhi University for some time. Author of Commentaries on the Madras Estates' Land Act (Land Tenures in Madras).

Ramakrishnan, K. C., M.A., Dip., (Econ.), Madras; b. December 1891; Acting Reader in Economics, Madras University; Director, Triplicane Urban Co-operative Society since 1934; Madras Provincial Co-operative Stationery Stores since 1939; Member, Editorial Committee of the *Madras Journal of Co-operation*; Delegate from India to the International Co-operative Congress, Paris, 1937.

Ramalingam Chettiar, T. A., B.A., B.L., M.L.C., b. May 1881; President, The Madras Co-operative Central Land Mortgage Bank; President, The Madras Provincial Co-operative Union; President, The Madras Provincial Co-operative Marketing Society; President, The Coimbatore District Co-operative Urban Bank; President, Tamil Nadu Co-operative Federation; Director, The Madras Provincial Co-operative Bank; Member, Standing Committees of the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association; Member, Townsend Committee on Co-operation (1927) Madras; Vice-Chairman Committee on Co-operation, Madras 1939-40; Chairman, Tirumalai and Tirupathi Devasthanams' Committee; Elected to the 1st, 2nd, 3rd and 4th Madras Legislative Councils under the old Government of India Act and again as Member, Legislative Council under the Government of India Act of 1935; Was President of the District Board of Coimbatore for some years; A Congressman; Discarded the title of Dewan Bahadur which was conferred on him in 1935.

Ramamurti, Vadrevu; Razole, East Godavari District; Secretary, The Amalapuram Co-operative Union 1916-20; President, The Co-operative Urban Bank; Director, Sree Konaseema Co-operative Central Bank, Amalapuram since its inception upto 1935; Vice-President and Working Director during 1920-23 and President for some years; President, Razole Co-operative Credit Society since its inception in 1927 to 1939; President, Razole Co-operative Land Mortgage Bank since 1933; Chairman, The Local Board of the South India Co-operative Insurance Society, since 1934; Director and Member, Executive Committee, Madras Co-operative Central Land Mortgage Bank 1933-36; Vice-President, Madras Provincial Co-operative Union 1936-39.

Ratnasabapati Mudaliar, C. S., Dewan Bahadur; b. 9th March 1886; President, Madras Handloom Weavers' Provincial Co-operative Society for the past four years; Vice-President, Madras Central Land Mortgage Bank; Member, The Committee on Co-operation 1939-40; Chairman, Municipal Council and President, District Board, Coimbatore for about 14 years; President, Federation of Indian Chambers of Commerce and Industry; Chairman, the South India Mill-owners' Association.

Samiappa Mudaliar, N. R., Rao Bahadur; b. 15-11-1896; President, Co-operative Urban Bank, Tirutturaipundi; President, Co-operative Supervising Union, Tirutturaipundi; President, Loan and Sale Society, Tirutturaipundi; President, Land Mortgage Bank, Tirutturaipundi for some years; Member, Board of Management, Co-operative Central Bank, Kumbakonam; Member, Central Land Mortgage Bank, Madras; Member, Madras Provincial Co-operative Bank; Member, Executive Committee, The Madras Provincial Co-operative Union; Member, Standing Committee, All-India Co-operative Institutes' Association; Vice-President, Tamil Nadu Co-operative Federation; Vice-President, Co-operative Fire and General Insurance Society; Member, Madras Legislative Council; Member, Taluk and District Boards for nearly 20 years. Vice-President, Tanjore District Board and East Tanjore District Board for some years; Member, Senate of the Madras University; and South Indian Railway Advisory Committee for some time.

Sankara Mudaliar, S. S., B.A., B.L., b. 5-11-1883; Secretary, Madras City Co-operative Bank; Vice-President, Central Co-operative Printing Works; President, Madras District Co-operative Central Bank for some years; Director and Mem-

ber, Executive Committee, The Madras Provincial Co-operative Bank for some time.

Sarma, P.S.N., Dr., Bhimavaram: Secretary, Co-op. Swadeshi Vastra Nilayam 1929-41; Local Co-operative Union 1934-35; President, Co-operative Crop Loan and Sale Society; Member, Executive Committee, Andhra Co-operative Federation since 1939; Director, Kistna Co-operative Bank, 1934-37; Secretary, Local Co-operative Land Mortgage Bank, 1937-40.

Satyanarayana, Narasimhadevara; b. 9th September 1894; President, Alamuru Co-operative Rural Bank; and Land Mortgage Bank, Alamuru; Director, Ramachandrapuram Central Bank; Joint-Secretary, Madras Provincial Co-operative Union, Director, Madras Central Co-operative Land Mortgage Bank; Secretary, Andhra Provincial Co-operative Union; Member, East Godavari Dt. Board; Vice-President, Madras Provincial Panchayats Association; President, Irrigation Advisory Board, Eastern Division; Superintendent, Alamuru Rural Reconstruction Centre.

Seturama Iyer, A., Rao Sahib; Nidamangalam; b. 31st May 1872; Secretary, Agricultural Bank, Nidamangalam 1905-1935; Secretary, Mannargudy Taluk Co-operative Supervising Union 1919-1928; Director, Tanjore Co-operative Central Bank 1919-28; and Vice-President for a term; Hony. Asst. Registrar of Co-operative Societies for a number of years; Chief Agent and District organiser, South India Co-operative Insurance Society 1932-1940; Director, Central Co-operative Marketing Society; Secretary, Nidamangalam Co-operative Sale Society since 1934; Secretary, The Tanjore Dt. Co-operative Manure Society, Nidamangalam from 1916; Director, Mannargudy Co-operative Mortgage Bank from 1934; Chairman, Nidamangalam Union Board for two terms and Member, Taluk Board; Honorary Visitor, College of Agriculture and Research Institute, Coimbatore, 1918-21; Vice-President, Madras Students' Agricultural Union for some time; Member, Managing Committee, The Tanjore District Agricultural Association; Author; Field and Garden Crops of Madras in (1908).

Seshachalam Iyer, M. S., Rao Sahib; b. 7th July 1882. Secretary, the Tiruvannamalai Co-operative Society; Started a number of rural societies in Tiruvannamalai and Chengam areas; Secretary, Tiruvannamalai Taluk Co-operative Union; Hony. Assistant Registrar of Co-operative Societies for some time; Organised a Cobblers' Co-operative Society; President, Vellore Dt. Co-operative Federation; Member, Executive Committee, Vellore Co-operative Central Bank and the Madras Central Urban Bank (now the Provincial Co-operative Bank) for some time; Joint Secretary, Madras Provincial Co-operative Union for two terms and Edited the Tamil Bulletin till it was handed over to the Tamil Nadu Federation; Secretary, Tiruvannamalai Co-operative Union; President, The Tiruvannamalai Co-operative Labour Union; Secretary, The Tiruvannamalai Co-operative Loan and Sale Society; The Tiruvannamalai Co-operative Building Society; and the Brahmans' Co-operative Better Living Society. President, Modaiyur Stone Image Workers' Co-operative Society; Member, Executive Committee, Co-operative Central Bank; Member, Motor Supply Co-operative Society; Tamilnadu Federation; District Organiser for the South India Co-operative Insurance Society, Madras.

Sivananda Mudaliar, B. A., b. 8-8-1883; Director, Assistant Secretary, Vice-President and President, Co-operative Central Bank, Cuddalore for 19 years; Direc-

tor, Madras Provincial Co-operative Bank; Madras Provincial Co-operative Union for several years; President Co-operative Sale Society, South Arcot for about 15 years; Member, Cuddalore Municipal Council, 1925-28 and 1934-35; Vice-President, Temperance Committee, South Arcot; Chairman, Charitable Endowment Board; Member, Excise Advisory Board; and Temple Committee Cuddalore for some time; Member, Export Advisory Council, nominated by the Government of India, for some time.

Shiva Rau, Molhali; Puttur; b. 1880; President, South Kanara Central Co-operative Bank; South Kanara Agriculturists' Co-operative Wholesale Society, Puttur; Puttur Division Co-operative Land Mortgage Bank; Director, Madras Provincial Co-operative Bank; The South Kanara District Co-op. Advancement Society; Member, South Kanara District Board; Chairman, District Board Standing Committee on Education and the Puttur Taluk Elementary Education Advisory Committee.

Simhachallam Pantulu, Gade; President, Taluk Supervising Union, Narasaraopet for the past 20 years; Vice-President, and President, Guntur District Co-operative Central Bank, Tenali; Director, Madras Provincial Co-operative Bank; Provincial Co-operative Union; Member, Legislative Council, Madras; Senate, Madras University; Hon. Assistant Registrar of Co-operative Societies, Guntur.

Singaravelu Mudaliar, K. M., Rao Sahib, b. 20-3-1884; President, District Co-operative Federation for over 20 years; Director, Vellore Central Bank; Vice-President and Member, Executive Committee, The Madras Provincial Co-operative Bank for several years; Secretary, Kalavai Co-operative Supervising Union from 1915; Walajah Land Mortgage Bank from 1934; Member, Kalavai Credit Society; Member and President, Ranipet Taluk Board 1919-1930; and Member North Arcot District Board 1919-35.

Sitaramiah, Kavali, B.A., B.L., Rao Sahib; Cocanada; b. 3rd October 1883; President, The District Co-operative Bank, Cocanada; The Cocanada Co-operative Loan and Sale Society; The Cocanada Co-operative Milk Supply Union, and the Provincial Co-operative Bank; Member of the Board of Management of the Fire and General Co-operative Insurance Society, Madras; Honorary Presiding Magistrate of the Bench Court for three consecutive terms; Member, The Cocanada Divisional Economic Committee.

Sitarama Reddiar, K., B.A., B.L., b. October, 1884; Secretary and Director, The South Arcot District Co-operative Bank for some years; Hony. Asst. Registrar of Co-operative Societies, 1925-27; Chairman, South Arcot Co-operative Central Bank; Director, Board of Management, The Madras Provincial Co-operative Bank; President, South Arcot District Board 1920-29 and again now; Member, Madras Legislative Council, 1921-30; Secretary, Discharged Prisoners' Aid Society for many years; Was appointed as Commissioner Hindu Religious Endowment Board in 1930; First Commissioner, Tirumalai Tirupathi Devasthanams from 1933 to 1936. Member, Madras Legislative Assembly from 1937; Central Legislative Assembly from 1940; A Congressman and relinquished the title of Rao Bahadur.

Srinivasachari, A., Srivilliputtur; b. 26th October 1886; First President Srivilliputtur Co-operative Credit Society for 6 years; Director, Ramnad Co-opera-

tive Central Bank for 3 years; Secretary, Srivilliputtur Co-operative Supervising Union; First non-official Honorary Secretary, Srivilliputtur Co-operative Banking Union, its organiser 1920-1931; Representative of Srivilliputtur Bank in the Madras Provincial Co-operative Bank for about 10 years; Representative Member, Madras Provincial Co-operative Union; Member, Taluk Board, Sattur 1914-1927; Member, Ramnad District Board 1918-1920; and 1924-1926; Hony. Organiser, Village Panchayats, for about 6 years; Councillor, Srivilliputtur Municipality for about 10 years from 1930; Hony. Secretary Hindu High School, Srivilliputtur 1920-1923.

Srinivasa Raghavachari, G., b. 1869; Assistant Registrar of Co-operative Societies, 1920-24; President, Madura Ramnad Co-operative Bank; Secretary, Madura Ramnad District Co-operative Federation; Member, Executive Committee and Board of Management, The Madras Provincial Co-operative Bank; Joint-Secretary and Member, Executive Committee and Board of Management, The Madras Provincial Co-operative Union; The first Superintendent of the Hood Co-operative Training Institute, Tanjore; President, of the First Class Bench Court, Madura; Special Revenue Officer of the Madura Municipality for some time.

Sundaram Ayyar, P. S., Periyakulam; b. 9th August 1889; Secretary, President and now a Director of the Periyakulam Co-operative Urban Bank; Representative of the Bank in the Provincial Co-operative Union; President, Agricultural Improvement Co-operative Society, Periyakulam; Municipal Councillor since 1926 except between 1931-1934; Member, Madura District Board 1934-1937 and District Educational Council 1935-1937.

Tandu Mudaliyar, A. D., Rao Sahib; President, Central Bank; Co-operative Land Mortgage Bank; Co-op. Loan and Sale Society; and Co-op. Milk Supply Society, Hospet (Bellary Dt.); Ex-Hony. Asst. Registrar of Co-operative Societies; Director, Madras Provincial Co-operative Bank; Ex-Vice-Chairman, Municipal Council; and Vice-President, Dt. Board, Bellary; Honorary Visitor, Agricultural College, Coimbatore; Member, Debt Conciliation Board, Hospet; Anti-Tuberculosis Committee Bellary.

Thomas, Prekunnel Joseph, M.A., (Madras) D.Litt., D.Phil., (Oxon.); b. 25th Feb. 1895; Member, Madras Provincial Banking Enquiry Committee 1929; Committee on Co-operation 1940; Honorary Member, Provincial Co-operative Union for some years; Professor of Indian Economics, University of Madras from 1927; Member, Rice Committee of the I.C.A.R. (Government of India); Chairman Fact Finding Committee (Handloom and Mills) Government of India; Member, Consultative Committee of Economics, Government of India.

Varadaraju Reddy, N., b. 1895; Secretary, The Co-operative Union, Chengam from 1926 onwards; Vice-President and President, the North Arcot District Co-operative Central Bank for some time; Director, the Madras Provincial Co-operative Union; Member North Arcot District Board for about 5 years; Address:—Melpuliditpur Village, Chengam Taluk, North Arcot District.

Vedachalam Iyer, Anakkavur, B.A., Rao Bahadur; b. 1866; Assistant Registrar, 1911-1919; Registrar and Joint Registrar 1919-1920; President, Provincial Co-

operative Union, 1921-23; President, Land Mortgage Bank, Chcoyyar, 1933-1936; Director, Vellore Co-operative Central Bank.

Venkatachalam Pantulu, V., M.A., B.L., b. 30th August 1904; Secretary, The South India Co-operative Insurance Society, Madras; President, The Central Co-operative Printing Works; Sometime Secretary, and now Director and Member, of the Madras Provincial Co-operative Stationary Stores; Member, Board of Management, The Madras Provincial Co-operative Union.

Venkatakrishna Pillai, B.A., Rao Sahib, b. 9th June 1880; Chairman and Member, Executive Committee, Central Co-operative Printing Works 1936-39; Director, Madras Co-operative Milk Supply Union; Member, Board of Management, Madras Provincial Co-operative Union; Asst. Secretary, Madras Dt. Co-operative Labour Society for some years; Hony. Arbitrator of Co-op. Societies from 1936; President, The City Improvement League, Perambur.

Venkatappa Chettiar, S. C., B.A., B.L., M.L.A., Salem; b. 11th July 1879; Member, Board of Management, The Dt. Urban Bank Salem since 1918; Member, Executive Committee 1918-1921 and 1930-31; Vice-President, The Dt. Bank 1918-1921 and its President 1931-34; Director, Shevapet Urban Bank from 1933 and President from 1941; Member Salem Municipal Council, 1910-1937; and its Chairman, 1920-1926; Member, Salem District Board from 1936; Member, Madras Legislative Assembly; and Senate, Madras University for one period up to 1941.

Venkataramana Iyer, C., Rao Sahib; Chittoor, b. 1st November 1887; Director, The Co-op. Town Bank, Chittoor 1918-37, President, 1920-37; Director, The Chittoor Co-op. Land Mortgage Bank 1936-1938; Director, District Co-op. Central Bank, Chittoor 1925-32; President 1926-1932; Director, Dt. Co-op. Federation, Chittoor; President, 1930-32; Director, Madras Provincial Co-op. Bank; Honorary Assistant Registrar 1930-32; Director, The Chittoor Saswatha Nidhi 1919-1937; President, 1935-37.

Venkatarao, Kala; b. 7-7-1900; Graduate of the Guzrat Vidya Pith; Hony. Secretary, Sree Konaseema Co-operative Central Bank, Amalapuram 1927-1928 and 1931-1941; Its Vice-President, 1928-29; Director, Madras Provincial Co-operative Bank, 1932-1941; and Member, Executive Committee 1938-1941; Member, Executive Committee, Madras Provincial Co-operative Union, 1928; Secretary, East Godavary Dt. Co-operative Federation, 1928-30; Director, Andhra Sahakara Sammelanam; Hony. Member, Madras Provincial Co-operative Union; Member, Madras Committee on Co-operation 1939-40; President, Madras Central Banks' Conference, 1937; Member, Legislative Assembly, Madras; and Godavary District Board, 1928-36; Secretary, Andhra Provincial Congress Committee; and Member, All-India Congress Committee.

Venkataratnam, Bikkani; b. 1889; President, Co-operative Central Bank, Ramachandrapuram; Land Mortgage Bank; Loan and Sale Society and Ramadoss Co-operative Institute, Rajahmundry; Director, Madras Provincial Co-operative Bank; Member, Pre-Reform Madras Legislative Council; Member, East Godavary District Board; Member, Senate, Andhra University.

Vijayaraghavacharya, T. Diwan Bahadur, Sir; K.B.E., b. 27th August 1875; Prime Minister, Udaipur (Rajputana); Chairman, Committee on Co-operation, Madras, 1939-40; Member, United Provinces Co-operative Committee; Served as member and also President of several local bodies; Member, Central Legislature and Madras University for sometime.

Viswanatha Rao, O., B.A., B.L., Rao Sahib; Nellore; b. 3rd Oct. 1898; President, South Pennar Co-operative Union 1918-1924; Honorary Secretary, Nellore District Co-operative Bank 1924-1927; Vice-President 1927-1933; President 1933-1935; and now Director of the Bank; President, Land Mortgage Bank, Nellore 1930-1939 and now Director; Director, Central Land Mortgage Bank 1933-1936; Treasurer, Nellore Co-operative Marketing Federation and Director, Nellore Milk Supply Union.

Vegnanarayana Aiyar, S. K., M.A., b. 23rd February 1883; Founder and President, Municipal Employees' Co-operative Society, Salem, 1917-1922; President Salem Co-operative Union 1919-21; Director, Central Bank, Salem 1919-21; President 1922-28 and Director (1922-31) Madras Teachers' Guild Co-operative Society; Secretary, Provincial Co-op. Union for 2 years; Editor, *The Madras Journal of Co-operation*, 1926-1934; Director, The Triplicane Urban Co-operative Society; now Managing Director; One of the original signatories of the South India Co-operative Insurance Society, and its Director from the beginning; Director, The Central Co-operative Printing Works; The Mylapore Building Co-operative Society, its President; Member, The Madras Dt. Central Bank; Member, The Madras Provincial Co-operative Bank; Head of the Department of English in Pachiyappa's College, 1922-41; President, The South India Teachers' Union 1926-40; Member, Senate, Madras University 1926-38; Academic Council for a short term.

NORTH WEST FRONTIER PROVINCE

Bakhshi Ram Sarup Dutt; He is an old co-operator; He is the founder of the Peshawar Civil Employees' Co-operative Credit Society registered on 30th October 1925 and has worked either as Honorary Secretary or President; He is also the chief organiser of Muhiyal Co-operative Better Living Society; He has either been elected an Honorary Secretary or President of the Provincial Civilian Clerks' Association, North West Frontier Province for the last 20 years; He is at present holding the office of Superintendent, Revenue and Divisional Commissioner North West Frontier Province, Peshawar.

Darwesh Khan, Mohd. K. M.A., LL.B.; Khan Sahib, He is associated with the movement since 1930 and it was through his initiative that work in Mardan Tahsil was started. He is the first Honorary Secretary of the Mardan Central Co-operative Bank started in 1934. He is also interested in other beneficent activities of the Government. He continues to work as Honorary Secretary of the bank successfully.

Khan Ghulam Mohd. Khan Niazi, B.A., b. 30th November 1896; He is the first Registrar in the Province after the separation of the movement and the department from the Punjab organisation; Belongs to a very influential family of the Niazi Pathans in the district. Joined the Punjab Co-operative Societies Department as Inspector candidate 1918. Promoted to the Gazetted rank from 1st April 1927 and

after serving successfully in the Punjab as Assistant Registrar was selected for appointment as Registrar in the North West Frontier Province and is on deputation here since 17th April 1940.

Malik Sultan Mahmud, Khan Sahib; b. 17-8-1885; He was the first Inspector deputed from the Punjab to start the movement in the Province. He took over on 3rd May 1925 with his headquarters at Haripur, Hazara District and showed success. On 1st May 1929 he was promoted as Assistant Registrar and after a successful career retired from the service with effect from 16-12-40.

Mohd. Rafiq Khan, K.; He is working as Honorary Secretary of the Bangash Co-operative Banking Union at Hangu. District Kohat, started on 8th June 1939.

Mohammad Sadiq, S., B.A., LL.B., He was elected as Director of the Hazara Central Co-operative Bank in 1933 and due to his keen interest was elected next year as its Joint Secretary and Managing Director. Since September 1937 he is the Honorary Secretary of the Bank; He is also Treasurer of the Hazara Co-operative Bee-keepers' Association, and Treasurer of the district branch of the Indian Red Cross Society.

Shah Nawaz Khan, M., B.A., LL.B.; Was the first Honorary Secretary of the Dera Ismail Khan Central Co-operative Bank, since its inception in 1934; He has used his influence in extending the movement.

ORISSA

Mozumdar, S. N., I.C.S., Registrar of Co-operative Societies till April 1940.

Panda, K. M., Director, Aska Co-operative Central Bank; Member, Board of Management, The Madras Provincial Co-operative Bank.

Ramakrishna Rao, N.; Vice-President, The Berhampore Co-operative Central Bank; Member, Board of Management, The Madras Provincial Co-operative Bank.

Ratho, B. K., President, Aska Co-operative Central Bank.

Roy, S. C., Rai Sahib; Deputy Registrar of Co-operative Societies, Orissa.

Venkatakrishnaiaya Tadepalli, B.A., B.L., Rao Bahadur; b. 1880; President, Chatrapur Urban Bank for 20 years; President, Berhampur Co-operative Central Bank; President, Orissa Provincial Co-operative Land Mortgage Bank; Vice-President, Ganjam Dt. Board, for 9 years; President, Chatrapur Taluk Board; and Ganjam Dt. Board for some time. Address:—Chatrapur, Ganjam, Orissa.

PUNJAB

Abdul Hamid Khan, Khan Sahib, B.A., LL.B., b. 1893; Vice-Chairman, District Board and Public Prosecutor; Member, Municipal Committee, Muzaffargarh; President, The Co-operative Credit and Thrift Society, Ghazipur Dosli, Organiser,

Arbitration Society and Fruit Growing Association; Honorary Secretary, The Co-operative Execution of Awarūs Union, Muzaffargarh for the last 8 years and now its President. Director, The Central Co-operative Bank, Muzaffargarh; Address:—Muzaffargarh.

Allah Nawuz Khan, Sardar, b. 1913; Honorary Magistrate; Editor of College Magazine (Khaibar); Secretary, Oriental Society, Khaibar. Honorary Editor of a Weekly Rural uplift paper *Islah*. Author of *Masnāvi Anjam-i-Ishaq* and *Jami-Jamshaid*; Director, The Central Co-operative Bank, Dera Ghazi Khan. Representative to the General Meeting of the Punjab Co-operative Union, Lahore and the Punjab Provincial Co-operative Bank, Lahore. Address:—Vahoa, District Dera Ghazi Khan.

Allah Rakha, Chaudri, Lambardar, b. 1890; President, Co-operative Thrift and Credit Society, Bhabra Jattan since 1912; Co-operative Better Living Society; Co-operative Better Farming Society, Bhabra Jattan since 1928; Co-operative Cattle Breeding Society, Bhabra Jattan; President and Cashier, The Co-operative Union, Bhabra Jattan; Director, Co-operative Commission Shop, Dina Nagar since 1930. Director, Central Co-operative Bank, Gurdaspur for the last 3 years; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Patron and guide, The Co-operative Human First Aid Centres and the Veterinary First Aid Centres since 1936. Sarpanch of the Village Panchayat, District Darbari. Address:—Bhabra, P.O. Sahuwal Via. Dina Nagar, Tahsil and District Gurdaspur.

Amar Singh, Sardar, Rais, Behrampore Zamindari; b. 1907; President, local Co-operative Dehat Sudhar Society; local Co-operative Consolidation of Land Holdings Society; Treasurer, local Co-operative Thrift and Credit Society; local Co-operative Medical Aid and Public Health Society; Vice-President, The Central Co-operative Bank, Rupar. Member, District Board, Ambala. Awarded Cash prize for good work in the consolidation of land holdings; Also awarded Commissioner's sanad for good work. Address:—Village Behrampore, Tahsil Rupar, District Ambala.

Asadulla Khan, Khan, Khan Sahib; b. 1890; Honorary Magistrate, Mehatpur, District Jullundur; Founder and President, The Co-operative Thrift and Credit Society, Shahsalemppore; The Co-operative Union, Mehatpur; Director, The Central Co-operative Bank, Jullundur; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore. Engaged in Rural Reconstruction work among men and women. Awarded many certificates and sanads for commendable work. Address:—Mehatpur, Tahsil Nakoder, District Jullundur.

Bans Gopal Mann, Chowdry, B.A., LL.B., Rai Bahadur; b. 1890; Karnal, Honorary Secretary, The Central Co-operative Bank, Karnal since 1921; Member, Executive Committee, Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provl. Co.op. Bank, Lahore; Member, War Sub-Committee, Punjab Co-operative Union, Lahore; Sugar Sub-Committee, Imperial Council of Agricultural Research; Member of the first reformed Punjab Legislative Council; Council Secretary to the late Sir Mian Fazal Hussain, Education Minister; Member, District Board, Karnal and its Senior Vice-Chairman for many years;

Member, Sanitary Board; Awarded the title of Rai Sahib, 1929; Address:—Raj Nivas (Ghogripur), P.O. and District Karnal.

Bashir Ahmed Khan, Khan Mahommad, M.A., LL.B., M.R.A.S., (London); b. 1902. Secretary, Punjab Co-operative Union, Lahore since 1925; One of the original member who organised the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association; Member, Standing Committee and Honorary Secretary, All-India Co-operative Institutes' Association; Member, Legislative Sub-Committee, All-India Co-operative Institutes' Association; Secretary, War Committee, Punjab Co-operative Union; President, P. C. U. Employees' Association; President, Co-operative Workers Thrift and Credit Society, Lahore; Delegate to the Conferences of Registrars of Co-operative Societies; Delegate to Provincial Co-operative Conferences of Provinces and States; Author of (1) The Co-operative Movement in India; (2) A short History of the All-India Co-operative Institutes' Association; (3) Better Living Societies; (4) Consolidation of Land Holdings; (5) Co-operative Education and Training etc.; Editor-in-Chief —'Co-operation' Lahore; Contributor to the Year-Book of Agricultural Co-operation published by the Horace Plunkett Foundation, London; Review of International Co-operation, London, Co-operative Information Geneva etc. Provincial Editor, Year-Book and Directory of Indian Co-operation. Member, Indian Economic Association; The Indian Society of Agricultural Economics; President, Anjman-Islamic Civil Secretariat, Lahore; Director, Education Committee, Y.M.C.A.; Lahore. Address:—Secretary, Punjab Co-operative Union, Lahore.

Bhagat Ram, Lala, B.A., S.A.V., F.E.L., Rai Sahib; b. 1863; Held various posts—Munsif; Extra Assistant Commissioner; Senior Sub-Judge; District and Sessions Judge; Retired 1919; Member, Executive Committee, The Punjab Co-op. Union, Lahore; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; President, The Lahore Central Co-operative Bank, Lahore 1921 to 1936; Now its Senior Vice-President; Chairman, All-India Kshatriya Sabha and Punjab Mutual Family Relief Fund for some years; Address:—Shahi Mohallah, Lahore.

Bhola Singh, Chaudhri, B.A., LL.B., Rohtak; b. 1899. Director, The Central Co-operative Bank, Rohtak since 1930; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Vice-Chairman, District Board, Rohtak since 1932 and its member since 1929; Address:—Chiri. Tahsil Gohana, District Rohtak.

Bir Singh, Gyani; b. 1901; President, The Co-operative Thrift and Credit Society, Sawaddi Khas, Patti Hindal, district Ludhiana since 1928; The Co-operative Medical Aid Society, Sawaddi Khas; Director, Central Co-operative Bank, Ludhiana; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore. Sarpanch of his Village Panchayat for the last 3 years. Organised Dhaya Zamindar Association; Address:—Village and P. O. Sawaddi Khas, Tahsil Jagraon, District Ludhiana.

Dosondha Singh, Sardar, Sardar Sahib; b. 1895. President and Cashier, The Machhian Co-operative Union since 1927; Director, Central Co-operative Bank, Hoshiarpur for the last 12 years; and its Vice-President for the last five years. Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member,

Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Member, Debt Conciliation Board, Hoshiarpur Dasuwa since 1938; Sufed Posh in 1930; Address:—Village Machian, P.O. Garhdiwala, District Hoshiarpur.

Fazl Ali, Chaudhri, Khan Bahadur, Nawab, O.B.E., M.L.A., b. 1871; Chairman, District Board, Gujrat; President, The Ajnalu Co-operative Thrift and Credit Society; Founder of the Gujrat Central Co-operative Bank, Gujrat and its Honorary Secretary for several years and now its President; Vice-President, Executive Committee, The Punjab Co-operative Union, Lahore; Vice-President, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore for the past several years; Secretary, Zamindar Educational Association, Gujrat. Founder of the Zamindara College, Gujarat; Address:—Ajnalu, District Gujrat.

Feroz-ud-Din, Chaudri, B.A., LL.B., Khan Sahib; b. 1885; Chairman, Debt Conciliation Board, Jhelum; Honorary Secretary, Central Co-operative Bank, Jhelum 1923-41; Member, Executive Committee, The Punjab Co-operative Union, Lahore and the Punjab Provincial Co-operative Bank, Lahore for the last several years. Vice-Chairman, District Board, Jhelum for about 19 years; Address: Jhelum.

Ghulam Abbas Shah, Sardar; Land Lord; b. 1897; Organiser and President, The Rajoa Co-operative Thrift and Credit Society; Director, Central Co-operative Bank, Jhang; Vice-President, The Co-operative Land Mortgage Bank, Jhang for the last 20 years; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore for nearly 10 years; Member and Vice-Chairman District Board, Jhang for a long period; Member, Legislative Assembly (Central) 1928-31; Address:—Rajoa, District Jhang.

Ghulam Hasan Khan, B.A., LL.B., A.I.R.O., Khan Sahib, Captain; b. 1899. Member, Standing Committee, All-India Co-operative Institutes' Association; Legislative Sub-Committee of the Indian Provincial Co-operative Banks' and Institutes' Associations; Executive Committee, Punjab Co-operative Union, Lahore; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Honorary Secretary, The Mianwali Central Co-operative Bank; Founder Honorary Secretary, The Mianwali Co-operative Mortgage Bank, and now its Vice-President; President, The Co-operative Execution of Awards Union; The Shirmankhel Co-operative Credit and Thrift Society, Mianwali; Member, Mortgage Banks Committee, Punjab; Punjab Government Development Committee; Delegate, Co-operative Conference Punjab, 1927-35; Delegate, Co-operative Conference, Rawalpindi; Vice-Chairman, District Board, Mianwali; Vice-President, Municipal Committee, Mianwali; Awarded Silver Jubilee Medal 1935; Coronation Medal 1937; Address:—Mianwali.

Ghulam Qadir Khan, Khan, Zamindar; b. 1902. Director, Co-operative Commission Shop, Khanewal; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore (1941); Address:—Khanewal (old), P.O. Khanewal, District Multan.

Gurbakhsh Singh, Sardar, Sardar Bahadur Lt.-Col., O.B.I., b. 1874; President, The Tarn Taran Co-operative Union since 1926; Member, Executive

Committee, The Punjab Co-operative Union, Lahore; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore. Organiser and President, Khalsa High School, Tarn Taran; Awarded Coronation Medal 1911; Sardar Bahadur and O.B.I., (1st Class) 1920; Address:—Tarn Taran, District Amritsar.

Hasham Khan, Khan, Khan Sahib; b. 1885; Honorary Magistrate and Sub-Registrar, Campbellpore, Attock District, Vice-President, The Shadi Khan Co-operative Thrift and Credit Society; Honorary Secretary, The Campbellpore Co-operative Execution of Awards Union; Director, The Attock Central Co-operative Bank, Campbellpore; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, the Punjab Provincial Co-operative Bank, Lahore; Standing Committee, The Indian Provincial Co-operative Banks' Association; Honorary Secretary, The District Agricultural Association, Attock; Member and Vice-Chairman, District Board, Attock; and Member and Vice-President of the Municipal Committee, Campbellpore; Address:—Village & P.O. Shadi Khan, Campbellpore.

Hyder Shah, Syed, B.A., LL.B., Khan Sahib; 1889; Director, the Co-operative Execution of Awards Union, Campbellpore; Honorary Secretary, The Attock Central Co-operative Bank, Campbellpore since its registration in 1922; Member, Municipal Committee, Campbellpore; Address:—Mirza, District Attock.

Iqbal Singh Bajwa, Sardar, Sardar Sahib; b. 1892; Principal, Khalsa High School, Narowal, District Sialkot; joined the movement in 1911; Assisted in starting societies in Narowal and round about it; Founder and President, The Narowal Central Co-operative Bank and the Co-operative Execution of Awards Union; Running a good high school in Narowal for over 25 years; President, Municipal Committee, Narowal for nine years; President, District Board, Sialkot for nine years; Address:—Narowal, District, Sialkot.

Jahan Dad Khan, Raja, Inam Khor; b. 1899; President, The Co-operative Better Living Society, Jhatta Hathial; President, The Co-operative Thrift and Credit Society, Jhatta Hathial; President, The Co-operative Execution of Awards Union, Rawalpindi; Director, The Central Co-operative Bank, Rawalpindi; Member, Executive Committee, the Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; President, Compulsory Education Attention Committee; Address:—Jhatta Hathial, Rawalpindi.

Jai Chand, Chaudhri; b. 1894; Honorary Secretary, The Indora Co-operative Union since 1918; served on the Executive Committee, Punjab Co-operative Union, Lahore for 4 years; Address:—Indora, Tahsil Nurpur, District Kangra.

Jalal-ud-Din Sain, Jagirdar, Land-Lord; Kardar; District Darbari; b. 1882; Honorary Secretary, The Shish Mahal Co-operative Thrift and Credit Society, Lahore since the last 30 years; President, The Lahore City Banking Union since the last 20 years; President, The Lahore Tahsil Co-operative Execution of Awards Union since last 14 years; Director, Central Co-operative Bank, Lahore since last 15 years; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Author "Zamindara Banks"; Address:—Bhati Gate, Lahore.

Jan Mohammad Alavi, Doctor, L.M.S.; b. 1905. Member, The Dogran Co-operative Society, Hissar; Director, The Central Co-operative Bank, Hissar; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Helped in the formation of about 30 co-operative societies in Hissar town and about 60 in the district; Member, Government District Price Control Committee; Address:—Hissar.

Jones, I. E., I.C.S., b. 1903 in Dublin, Eire; Registrar, Co-operative Societies, Punjab and Delhi Provinces from April 1940 and Director, Rural Reconstruction, Punjab, Lahore; Assistant Commissioner, Under-Secretary, Home Department and Political Department; Deputy Commissioner, Sargodha, Hissar, Amritsar, Lahore; Chairman, Lahore Improvement Trust; Administrator, Lahore Municipality; President, The Punjab Co-operative Union, Lahore; The Punjab Provincial Co-operative Bank, Lahore; Address:—C/o Grindlay & Co., Ltd., 54, Parliament Street, London, S.W. 1.

Jugal Kishore, Chaudhri, Rao Sahib; b. 1876; Honorary Magistrate, Gurgaon; Serving the Co-operative Movement since 1922; Helped in starting the Co-operative Land Mortgage Bank, Central Co-operative Bank, Gurgaon; Cattle Breeding Association and many credit societies in the Gurgaon District; Address:—Gurgaon.

Kartar Singh, B.A., Sardar, Sardar Sahib; b. 1896; Secretary, District Board, Amritsar; President, District Employees' Co-operative Thrift and Credit Society, Amritsar since 1927; President, The Co-operative Cattle Breeding Association, Amritsar since 1927; President, Co-operative Execution of Awards Union, Amritsar; Honorary Secretary, The Central Co-operative Bank, Amritsar for over 17 years; President, Fruit Development Board, Amritsar; Address:—Raja Sansi, District Amritsar.

Kaura Khan Mastoi, Sardar, Zaildar; b. 1892; President, The Co-operative Thrift and Credit Society, Dera Gazi Khan since 1923; Arbitrator of Co-operative Societies; Director, Central Co-operative Bank, Dera Ghazi Khan for the last 15 years; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Zaildar; Accessor; Member Jirga; Awarded Sanads and Certificates; Address:—Dera Ghazi Khan.

Maula Bakhsh, Malik, Subedar Major, I.D.S.M., b. 1892; President, the Village Co-operative Thrift and Credit Society; The Village Co-operative Dehat Sudhar Society; Address:—Padhrar, District Shahpur.

Mihr Mohammad Khan, Khan, Khan Sahib; Landlord; b. 1897; Hony. Secretary, The Co-operative Thrift and Credit Society, Tohana from 1928; Director, Central Co-operative Bank, Hissar; Sanads granted by the Government doing useful work for the movement; Helped in the Famine Operations of Hissar District in 1929-30 and 1938-41; Granted Jagir of Rs. 250 per annum in 1933; Awarded Silver Jubilee and Coronation Medals; Address:—Tohana, District Hissar.

Mohammad Akram Khan, Raja, Khan Bahadur, M.L.A., b. 2nd February, 1875; President, The Co-operative Execution of Awards Union, Jhelum; Senior Vice-President, The Jhelum Central Co-operative Bank; President, Municipal Committee,

Jhelum; Member, Prisoners' Aid Society; Khan Sahib in 1917; Awarded Recruiting Medal and War Batch for services rendered in the Great War. Also awarded Silver Jubilee Medal in 1935 and Coronation Medal in 1937. Retired Revenue Assistant, Jhelum.

Mohammad Hussain, Chaudhri, B.A., LL.B., M.L.A., Gujranwala; b. 1898; President, Co-operative Thrift and Credit Society, Arup since 1926; Director, The Co-operative Land Mortgage Bank, Gujranwala since 1928 and Honorary Secretary 1929-1936; Director, The Central Co-operative Bank, Gujranwala since 1933 and Honorary Secretary since 1935; Member, Executive Committee, The Punjab Co-operative Union, Lahore 1941; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore 1941; Granted Sanad by the Punjab Government for assistance to the Co-operative Movement; Member and Vice-Chairman District Board, Gujranwala since 1927; Address:—Civil Lines, Gujranw

Mohammad Hussain Khan, Khan, Zaildar; b. 1895. Helping the Co-operative Movement since 1910; President, The Co-operative Thrift and Credit Society, Basi Umer Khan; President, The Co-operative Union, Hariana; Director, Central Co-operative Bank, Hoshiarpur for the last several years; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Awarded certificates for services to the co-operative movement; Address:—Basi Umer Khan, P.O. Hariana, District Hoshiarpur.

Mohammad Feroz Khan, Malik, Khan Sahib; b. 1883; President, The Garhi Awan Co-operative Thrift and Credit Society since 1927; Director, The Co-operative Execution of Awards Union, Gujranwala; Director, The Central Co-operative Bank, Gujranwala; President, The Gujranwala Central Co-operative Bank, Hafizabad Branch; Member, Executive Committee, The Punjab Co-operative Union, Lahore 1939-41; Member, Executive Committee, The Punjab Provincial Co-operative Bank Lahore 1939-41; Municipal Committee, Hafizabad since 1925 and its President since 1939; Address:—Garhi Awan, Hafizabad, District Gujranwala.

Mohammad Shah, Syed, M.A., LL.B., Khan Sahib; Pakpattan, District Montgomery; b. 1894; Honorary Secretary, The Pakpattan Central Co-operative Bank, since 1924; Member, Municipal Committee, Pakpattan and District Board, Montgomery for several years. Started and edited a rural weekly "the Nili" to promote the rural uplift movement for a period of six years ending with February, 1939.

Mohindar Singh Sidhwan, Sardar, Government Contractor; b. 1898; Founder and President, The Co-operative Thrift and Credit Society, Sidhwan Khurd since 1925; Founder of the Co-operative Medical Aid and Public Health Society in Sidhwan Khurd; Director, Central Co-operative Bank, Ludhiana since 1929 and its Honorary Managing Director since 1938; Member Executive Committee, Punjab Co-operative Union, Lahore for 5 years; District Board, Ludhiana since 1931; General Secretary of the S.G.P.C. Amritsar 1926-27; Address:—Sidhwan Khurd, District Ludhiana.

Muzaffar Ali, Malik; b. 1902; Organiser and President, The local Co-operative Thrift and Credit Society; President, The Central Co-operative Bank, Shahdra;

Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Member, District Board, Sheikhpura; Address:—Sharakpur, District Sheikhpura.

Nawab Khan, B.A., LL.B., Khan; b. 1898; Secretary, the Village Thrift and Credit Society; Director, Central Co-operative Bank, Mianwali for the last 20 years; Director of the Co-operative Mortgage Bank, Mianwali for several years; Honorary Secretary, The Co-operative Execution of Awards Union, Bhakkar since its registration in 1927. Representative to the Punjab Co-operative Union, Lahore; Vice President, Municipal Committee, Bhakkar since 1930; Awarded Government Sanads and Certificates for services to the Co-operative Movement, Rural Reconstruction and Sanitation Work; Address:—Bhakkar, District Mianwali.

Nawal Singh, Chaudhari, Rao Sahib; Legal Fractitioner and Agriculturist; b. 1871; Vice-President, The Central Co-operative Bank, Rohtak from 1915 to 1922 and its Honorary Secretary from 1922; Vice-Chairman, District Board, Rohtak; Address:—Village Jaunti, P.O. Bahadurgarh, Delhi Province.

Niamatullah Khan, Chaudhri, Khan Bahadur; President, Madar Co-operative Thrift and Credit Society; Madar Medical Aid and Public Health Co-operative Society; Madar Co-operative Banking Union since 1912; President, Madar Land Consolidation Co-operative Society; Pioneer, Women's Co-operative Movement in Jullundur Tahsil; Honorary Secretary, The Madar Co-operative Women Thrift Society since 1932; Member, Executive Committee, The Punjab Co-operative Union, Lahore for 23 years; Executive Committee, The Punjab Provincial Co-operative Bank, Lahore for 16 years; Director, Central Co-operative Bank, Jullundur since 1925; Member, Punjab Provincial Banking Enquiry Committee 1930; President, Rural Sanitary Committee, Madar; Member, Jullundur District Agricultural Association since 1914; Member, District Board, Jullundur since 1917; Granted two squares of land in 1930; Awarded the Silver Jubilee Medal 1935; Coronation Medal 1937; Khan Sahib 1918; Honorary Magistrate since 1920; Address:—Madar, District Jullundur.

Noor Mohammad Khan, M.A., LL.B., Malik, Khan Bahadur; (Alig), Sargodha. Organised the Muslim University Co-operative Store, Aligarh; Member, Standing Committee, All-India Co-operative Institutes' Association; Member Executive Committee, Punjab Co-operative Union, Lahore; Director, The Punjab Provincial Co-operative Bank, Lahore; Honorary Secretary, The Sargodha Central Co-operative Bank; Honorary Secretary, The Co-operative Execution of Awards Union, Sargodha; Delegate to the Conferences of Registrars of Co-operative Societies, Simla, 1929 and 1939; Delegate to the Co-operative Conference Punjab, 1935; Delegate, Co-operative Conference, Rawalpindi; Member, Mortgage Banks Committee, Punjab; President, Friends' Co-operative Thrift and Credit Society, Sargodha; Leader of the Co-operative Movement in the Province; Director, Reserve Bank of India, Delhi; Member, Muslim University Court, Aligarh; Vice-President, Municipal Committee, Sargodha, 1927-30; Awarded the title of Khan Sahib in 1930.

Noor Mohammad Mokai, Sardar, Montgomery; b. 1886; Helped in starting the Co-operative Movement in Montgomery District; Vice-Chairman, The Muslim Co-operative Educational Association, Montgomery; Vice-President, The Central Co-

operative Bank, Montgomery; President, Montgomery District Co-operative Execution of Awards Union; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Has been a member and Vice-President of the Municipal Committee, Montgomery.

Noor Mohammad, Mian, Sajjadanashin, Muafidar and Lamberdar; b. 1908; Spiritual Leader, Qadria Dynasty of Sufis; Munshi Fazil; Organiser and Honorary Secretary, the Village Co-operative Thrift and Credit Society; Rendered great help in the organisation of the Co-operative Consolidation of Land Holdings Society of his village; Approved arbitrator of the Co-operative Department; Address:—Village Hissowal, P. O. Dakha, Tahsil Jagraon, District Ludhiana.

Nur Ahmad, Mian, Zaildar; b. 1895; President, The Village Co-operative Thrift and Credit Society; Director, The Central Co-operative Bank, Multan; Representative to the General meeting of the Punjab Co-operative Union, Lahore; Awarded several Sanads and Certificates for his help to the Co-operative Movement; Address:—Village and P. O. Khanpur Sharif, District Multan.

Rajinder Singh, Thakar, Rai Sahib; b. 1886; Organiser of local Co-operative Thrift and Credit Society; President, The Co-operative Cho Reclamation Society, Panjavar; President, The Co-operative Cattle Breeding Society, Panjavar; President, The Co-operative Veterinary First Aid Centre; President, The Panjavar Co-operative Union; Director, The Central Co-operative Bank, Hoshiarpur; Awarded a square of land in Nili Bar; Approved arbitrator of the Co-operative Department and Revenue and Judicial Courts; Address:—Panjavar, District Hoshiarpur.

Sadhu Chand Vinyek, Doctor; M.B.B.S., b. 1903; Director, The Central Co-operative Bank, Ferozepur for the last 11 years; its Joint Honorary Secretary for two years and Honorary Secretary for the last six years; Representative of the Central Co-operative Bank, Ferozepur to the general meeting of the Punjab Co-operative Union, Lahore and Punjab Provincial Co-operative Bank, Lahore for the last five years; Awarded Sanads and Certificates for services rendered to the Co-operative Movement; Address:—Mahesh Chand Street, Ferozepur City.

Sahib Singh Mann, Sardar, Sardar Sahib, Landlord, Mananwala, District Sheikhpura; b. 1892; Vice-President, Mananwala Co-operative Banking Union since 1920; President, Co-operative Commission Shop, Churhkana; Vice-Chairman, The Central Co-operative Bank, Sheikhpura since its registration; Member, Executive Committee, The Punjab Co-operative Union, Lahore and the Punjab Provincial Co-operative Bank, Lahore for the last several years; Member, Red Cross Society; St. John Ambulance Association; Prisoners' Aid Society; Rendering services to the cause of education and rural uplift.

Sardar Khan, Chaudhri; b. 1898; President, The Co-operative Thrift and Credit Society, Chillianwala; The Co-operative Better Living Society, Chillianwala; The Co-operative Ghee Sale Society, Chillianwala; Chief Director, The Co-operative Commission Shop, Mandi Bahauddin; Director, Central Co-operative Bank, Gujrat; The Co-operative Execution of Awards Union, Mandi Bahauddin; Address:—Chillianwala, District Gujrat.

Sardar Khan, Raja, Landlord and Rais of Pinanwal; b. 1901; President, The Co-operative Thrift and Credit Society; The Co-operative Better Living Society; and the Co-operative Vegetable and Fruit Growers' Society, Pinanwal; President, The Co-operative Execution of Awards Union, Pind Dadan Khan; Honorary Secretary, The Central Co-operative Bank, Pind Dadan Khan; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Helped in the consolidation of the fields of his own and neighbouring villages. Address:—Village and P.O. Pinanwal, Tehsil, Pind Dadan Khan, District Jhelum.

Sham Lal Kaistha, Lala, M.A., LL.B., Rai Sahib; Dharamasala, Kangra District; b. 1877; Pioneer of the Co-operative Movement in the Kangra District; President, The Co-operative Thrift and Credit Society, Nagrota Bagwan for the last four years; Honorary Secretary, Kangra Central Co-operative Bank, Dharamasala from the date of its registration, 1920; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore for the last 13 years; Address:—P.O. Nagrota Bagwan, Kangra District.

Sham Singh, K., Government Jagirdar, District Darbari; b. 1897; Organised Co-operative Societies in the illaqa; President, The Co-operative Thrift and Credit Society, Kot Khai; President, The Co-operative Fruit Growing Society, Pandli; The Co-operative Sheep Breeding Society, Pandli; The Co-operative Bee-Keeping Society, Chewar; Director, The Co-operative Banking Union, Kot Khai; Served as a Commissioned Officer of the Indian Army in the Afghan War 1919; Address:—Kot Khai, District Simla.

Uggar Singh Gill, Sardar; b. 13th January, 1896; Helped in starting the Co-operative Movement in Kharar Tahsil; Director, The Rupar Central Co-operative Bank for 9 years; Member, Executive Committee, The Punjab Co-operative Union, Lahore; Member, Executive Committee, The Punjab Provincial Co-operative Bank, Lahore; Awarded G. S. Medal, Victory Medal and Afghan War Medal of 1919; Address:—Jhingran Kalan, P.O., Kurali.

SIND

(No information under the head 'Who is Who' has been received from Sind. We publish therefore the names of those Co-operators to whose activities reference has been made in the latest administration report of the Registrar and other reports).

Bedekar, G. V., B.Sc., I.C.S., Registrar of Co-operative Societies in Sind till April 1941.

Bulchand, Rao Saheb; Managing Director, Hyderabad Amils Co-operative Bank, Karachi.

Dost Muhammad, Md. Saban Memon; Khan Sahib; Hony. Organiser of Co-operative Societies in charge of the District of Nawabshah.

Kishinchand, P. Vaswani; Hony. Organiser of Co-operative Societies in charge of the district of Thar Parkar.

Mehta, Jamshed, N. R., b. 1886. Was president of Municipality for some time; Asst. Provincial Commissioner of Scouts in Sind; Chairman, Buyers' and Shippers' Chamber; Vice-Chairman, Karachi Port Trust; Chairman, Sind Central Co-operative Bank; Promoted the formation of Urban Co-operative Banks and other Central District Banks in Sind; Chairman, Lloyd Barrage and Canals Construction Scheme Advisory Committee; Chairman, Sind Provincial Co-operative Bank for some time; Member, Standing Committee, Indian Provincial Co-operative Banks' Association for some time; President, All-India Co-operative Conference held at Bangalore 1937; Hony. Liquidator, Karachi Urban Co-operative Bank.

Memon, Y. A., B.A., LL.B., Registrar of Co-operative Societies, Sind.

Shivrathan Mohatta, R. B., Chairman, Sind Provincial Co-operative Bank, Karachi; Member, Standing Committee of the Indian Provincial Co-operative Banks' Association.

Syed Ghulam Nabi Shah; Khan Bahadur; Director, Mirpurkhas Zamindari Co-operative Bank.

Wadero Allahdino Muhammad Sidik Memon; Hony. Organiser of Co-operative Societies in charge of Karachi District.

UNITED PROVINCES

Banerji, A. K., B.A., LL.B., b. 1899; Advocate in the Allahabad High Court; Elected Director of the District Co-operative Bank, Mirzapur, 1928; Member of the Provincial Committee since 1932.

Brij Nandan Lal, Rai Bahadur, Bar-at-Law, b. 1892; A leading Advocate and Zamindar; Founded the District Co-operative Bank, Farrukhabad, 1918; Hon. Managing Director since then; Member, old standing committee of co-operators for several years; Chairman, Reception Committee of the 13th session of U.P. Co-operative Conference, 1927; Toured Europe 1928 to see co-operative institutions; Member, U.P. Legislative Council, 1930-36; Chief whip of the Nationalist Party in the U.P., Council; Member, Provincial Committee of the Co-operative Union since its inception; Executive Committee of the Union for six years, and All-India Co-operative Institutes' Association for some time; Represented U.P. at the Registrar's Conference one year.

Brij Kishore, B.A., LL.B., Rai Sahib, Leading Advocate of Moradabad; Honorary Director of the District Co-operative Bank, Moradabad, 1928-40; Director for over 22 years; Sponsored the grain scheme of repayments and expanded the other activities of the Bank such as village welfare, education, sanitation, better living, irrigation etc.

Chaturvedi, L. N., B.Sc., b. 1889; Joined the Co-operative Department as Inspector, 1914; granted a sanad for meritorious work by Sir Harcourt Butler; Org-

nised the co-operative movement in the Meerut Division; the first to start consolidation of holdings work in the province; Appointed Assistant Registrar 1933; Organised and developed ghee societies; served on two committees, one appointed by the Government and the other by the Registrar.

Chaturvedi, Radhe Lal, Pandit B.A., Rai Bahadur, b. 1886; Deputy Collector, 1911-1921; Second Assistant Registrar, Co-operative Societies, 1921; Deputy Registrar, 1932; Officiating Registrar, Co-operative Societies, 1932, 1935, and 1938; Magistrate and Collector, 1938; Permanent Registrar, 1939; Ex-officio President of the U. P. Co-operative Union, 1939-41; Responsible for the organisation of land mortgage societies; Retired as Registrar Jan. 1941.

Chiranji Lal, B.A., Rai Bahadur, b. 1874; Rais and Managing Director, Etawah District Co-operative Bank; Served in the Gwalior State for 14 years; Worked for the co-operative movement in Etawah; Managing Director the District Bank in 1922; Made special efforts to organise better living, ghee, gur, and weavers' societies; Awarded Rai Sahib, 1926.

Chishti, Mohammad Hamid, Khan Saheb, b. 1896; Member, District Board, Gorakhpur, since 1920; Chairman, Education Committee for six years till 1932; Director, Central Co-operative Bank, Deori-Kasia since 1924; Managing Director since 1935; Pioneer in establishing the cane marketing board, 1934; Member, Provincial Co-operative Union for the last six years; Member, executive committee for the last three years; Member, All-India Co-operative Institutes' Association; and Member of its Legislative Sub-Committee.

Drake Brockman, Digby Livingstone, I.C.S., Sir, C.S.I., C.I.E., b. Dec., 1877; Assist. Magistrate and Collector, Muttra, Gorakhpur, Agra 1901-04; Assistant Settlement Officer, Banda, 1905-08; Assistant Editor, District Gazetteers, 1908-09; Settlement Officer, Allahabad, 1912-15; Assistant Registrar, Co-operative Societies, 1916-17; Settlement Officer, Saharanpur, 1917-20; Member, Regency and State Councils, Jodhpur and Rajputana States, 1920-29; Commissioner, Fyzabad, 1929-32; Bareilly, 1932-33; Member, Board of Revenue, 1933-36; Chairman, U.P. Public Service Commission since 1937; Retired 1936; Address:—Allahabad.

Ganesh Prasad, b. 1873; Honorary Managing Director, Co-operative Bank, Banda; First non-official Chairman, Municipal Board for three terms; Senior Vice-Chairman, District Board; Awarded Rai Sahib 1928; promoted the Radhasoami Bank of Dayalbagh and the District Co-operative Bank, Banda.

Har Pershad, Rai Bahadur; Vakil, Bijnor; b. 1878; Organiser and Manager Dayanand Orphanage, Agra; Founded the District Co-operative Bank, Bijnor; Vice-Chairman and Managing Director for 12 years; Awarded sanads, gold medal and sword-stick; Member, British Empire Exhibition Committee, U.P., Standing Committee of co-operators, 1925; Founded Shyam Co-operative Stores, Dhampur 1926; Member, U.P. Co-operative Union, 1929; Awarded coronation medal, 1937; Secretary, Zamindar Association since 1933; Acted as editor, U.P. Co-operative Journals in Hindi and Urdu.

Hasan S. S., I.C.S., b. 1904; Joint Magistrate Farrukhabad, Budaun and Mahoba till 1936; Offg. Collector, Hamirpur till 1938; On special duty in the Co-operative Department, 1940; Labour Commissioner, 1941; Registrar, Co-operative Societies, U.P. and President U.P. Co-operative Union since January, 1941.

Jagadeshwari Prasad, b. 1887. Chairman, Municipal Board, Mainpuri; Honorary Magistrate; President, Hindu Sabah, and Sri Sudhar Vidyalaya, Mainpuri. Honorary Managing Director, the Mainpuri District Co-operative Bank.

Jagdhari, Kismat Rai, B.A., LL.B., b. 1885; Member, Oudh Bar Council, 1938-41; Director, District Co-operative Bank, for 27 years; Managing Director, for 21 years; Member, Provincial Co-operative Committee 1929; Member, Executive Committee for 6 years; Secretary, District Congress Committee, 1912-20.

Jaspal, Balwant Singh, L., b. July. 1891; Government Circle Inspector of Co-operative Societies, 1912; Deputy Collector 1918-24; Deputed to the Home Department of the Government of India as Assistant Commissioner under the administration of Andamans and Nicobar Islands, 1926; Additional Registrar of Co-operative Societies 1928; Settlement Officer and Registrar of Co-operative Societies at Port Blaire 1928; Sub-Divisional Officer, Lohaghat 1930; Cane Control Officer 1934; Assistant Registrar of Co-operative Societies 1935; Permanent Deputy Registrar from 1939.

Jhingran, N. G., B.A., b. 1899; Head Master, T. G. C. Hindu School, Amroha, Moradabad 1923-24; Translator, Co-operative Department U.P. 1924-25; Honorary Secretary, U.P. Co-operative Union 1930; Inspector, Co-operative Societies 1930-39; Honorary Secretary, U.P. Officials' Co-operative Society, 1939; Honorary Secretary, U.P. Co-operative Inspectors' Association 1940-41; Honorary Secretary, U.P. Co-operative Union, since 1939; Author of contributions on co-operation and allied subjects in vernacular.

Kapur, Trilok Nath, Rai Bahadur, Fyzabad; b. 1887; Founded the Central Bank, Tanda, 1911; and Tanda Central Co-operative Stores, 1935; Member, Standing Committee on Co-operation and Provincial and executive bodies of the Union from their inception; Served on the Maqbool Hasan Committee and the improvement of cottage industries committee. Member, Municipal Board, Tanda and District Board, Fyzabad for more than two decades; First Class Special Magistrate, 1925-38; Awarded Darbar medals, 1911 and 1937; Silver Jubilee medal, 1935; Founder, the Shanti Library, Hobart High School, Kanya Pathshala and Sanskrit Pathshala, Tanda. Vice-President, Co-operative Central Bank, Tanda. Delegate to the General Body of Co-operative Union, U.P.

Kishen Dayal, Rai Saheb; b. 1868; Managing Director, District Co-operative Central Bank, Bulandshahr, 1925-1939.

Mahadeo Prasad, b. 1890. Manager, District Co-operative Bank, 1909. Inspector, Co-operative Department, 1919. Joint Secretary, Standing Committee of Co-operators, U.P. Instructor, co-operative training classes of supervisors, auditors and inspectors. Manager, U. P. Co-operative Journal. Secretary, U. P. Co-operative Inspectors' Association; Deputy Cane-Development Officer, 1935 and later served as Assistant Registrar.

Mansingh, Dalip, M.A., LL.B., Rai Saheb; b. 1896; Managing Director from 1922; Chairman since 1933, District Co-operative Bank, Fatehpur; Chairman, District Rural Development Association; Honorary Secretary, Bar Association, Joint-Secretary, District Branches of the Indian Red Cross Society and St. John Ambulance Association. Member, Provincial Committee of the U.P. Co-operative Union and its executive committee; Executive Committee of the U. P. Poultry Association. Address:—Ram Nivas, Fatehpur.

Mehrotra, Radha Mohan, LL.B., Rai Bahadur; b. 1879, Secretary, Bar Association for nearly 20 years. Honorary Managing Director, District Co-operative Bank. Honorary Secretary, Standing Committee for co-operation in U.P. Member, Executive Committee, Provincial Co-operative Union. Twice elected as delegate to the co-operative conference of Registrars, at Simla and Delhi. Awarded Rai Saheb and certificates by the U.P. Government for the services rendered to the co-operative movement in U.P. An independent political worker.

Mehta, Nanalal Chamnanlal, B.A., (Cantab), Bar-at-Law, I.C.S., Director of Land Records and Co-operative Credit, Gwalior Government, 1921. Director of Land Records, of Agriculture and Statistics and Inspector General of Registration, U.P. 1930-32; Secretary and sometime Officiating Vice-Chairman of the Imperial Council of Agricultural Research, 1935-38. Secretary to Government in charge of Rural Development, Agriculture, Co-operative Credit, Education, Industries and labour problems; Publications: "Studies in Indian Paintings," "Gujarathi Paintings in 15th Century," 'Contribution of Islam to Indian Culture.'

Misra, Chaturvedi Shiva Nath, B.A., LL.B., Orai; Director District Co-operative Bank, 1920; Honorary Managing Director of the Bank since 1921. Active member of the Provincial co-operative committee since 1935. Very prominently connected with the various social and educational institutions in the District.

Misra, J. P., M.A., B.Com., b. 1906; Lecturer, Bihar and Orissa Co-operative Training Institute, Sabour, Bhagalpur, 1929. Vice Principal 1930-34. Officer-in-charge and Lecturer, the Co-operative Training Institute, Patna, 1935-36. Editor, *Bihar and Orissa Co-operative Journal and Bihar Sahyog*, 1934-36. Education Inspector, Co-operative Department, U. P. 1936-38. Publicity Officer, Co-operative Department, U.P. since 1939. Publications; *Principles of Organisation of Agricultural Co-operative Credit Societies in India*; *Rural Reconstruction in Bihar and Orissa*; *Co-operation in U.P.*; *Co-operative Propaganda and Publicity*; *The Co-operative Movement—Its Meaning and Message*; Author of a number of pamphlets on co-operation and other allied subjects in Hindustani.

Misra, Shyam Behari, Dr. M.A., D.Litt., Pandit, Rao Raja, Rai Bahadur; b. 1873. Deputy Collector, U.P., 1897; Joint Registrar, Co-operative Societies 1922-24; Registrar, Co-operative Societies 1924-26; Dewan, Orchha State 1929-32, and later its Adviser in Chief; Member, Court of the Allahabad University; and Executive Council, Lucknow University; ex-President, All-India Kanyakubja, All-India Hindi Sahitya Sammelan, and Kashi Nagri Pracharini Sabhas; Member, Council of State for some time. Has published several standard works in Hindi, Address:—Golagaj, Lucknow.

Mohan Lal, M.A., LL.B., Rai Bahadur; Hardoi. b. 1873; Honorary Assistant Collector (First Class), 1919-38. Member, Hardoi Municipal Board since 1909 and later served as vice-chairman and chairman for a long time. First non-official Chairman of the District Board. Vice-Chairman, District Co-operative Bank, Hardoi for many years. Chairman, Agricultural Supply Society, Hardoi. Member, Provincial and Standing Committees of Co-operators. Represented U.P. at the All-India Registrars' Conference held at Simla, 1918. Acted as Secretary of the District Charitable Relief Fund for several years. Member, Legislative Council since 1927.

Mukherjee, B., b. 1892. Reader in Economics and Sociology, University of Lucknow; Professor of Economics, Ripon College, Calcutta, 1912-14. Research scholar in Indian Finance, Government of Bengal, 1914-17. Lecturer in Economics, University of Calcutta, 1917-21. Professor of Economics, Diocesan College for Girls, Calcutta. Enrolled as an advocate of the High Court, Calcutta, 1927. Life Fellow, Royal Economic Society, London. Member, American Economic Association; Indian Science Congress, 1922-28; Standing Committee of Co-operators in U.P., 1929-41; Provincial Co-operative Committee, U.P., General Body, U.P. Co-operative Union. Editor:—*The U. P. Co-operative Journal* since 1925. Awarded Rai Bahadur, 1941. Publications: *Co-operation in India—Its Meaning and Message*; *The New Yellow Peril*; *Co-operation in Retreat*, etc. Address:—Woodlands, Badshahab, Lucknow.

Murtaza Ali, Khan Saheb; b. 1888. Inspector, Co-operative Societies. 1911. Deputed on special duty in connection with the MacLagan Committee, 1914. Assistant Registrar, 1927. Started Rural Reconstruction work in Masodha area, 1929; Awarded certificate of merit by Sir Harcourt Butler and coronation medal.

Inamur Rahman, B.A., b. 1889. Inspector, Co-operative Societies, 1914. Assistant Registrar, 1929. Awarded certificate of merit by H. E. the Governor, 1921. Primarily responsible for the development of ghee unions and societies in Agra and Meerut Divisions, the cattle breeding society and the motor transport society in Meerut.

Sapru, Parmeshwar Nath, Rai Bahadur; b. 1879. Advocate, Chief Court of Oudh. Director, District Co-operative Bank, Fyzabad since 1910; Managing Director since 1922. Honorary Secretary, Co-operative Land Mortgage Society, Fyzabad. Member and Vice-President of the Provincial Co-operative Committee and Executive Committee; President, Fyzabad Bar Association, for 7 years. Member, Jurors committee, U.P. 1938; The Council of All-India Liberal Federation; Senior vice-chairman, District Board; Member, Municipal Board.

Satya Prakash, M.A., LL.B., b. 1902. Entered co-operative department, U.P. 1927. In charge of the U.P. Co-operative Training Institute, Partabgarh, 1931-40. Honorary Secretary, U.P. Co-operative Inspectors' Association, 1935-39 and again since January 1941. Circle Officer, Partabgarh.

Shyam Sundar Lal, B.A., B.Sc., LL.B., b. 1868. Served in the Educational Department for ten years. Secretary and President, local Arya Samaj. Secretary and Vice-President, U.P. Representative Body of Arya Samajees. Member, All-India Aryan League. President of the District Temperance Association since 1924,

Vice-Chairman, the District Co-operative Bank, Mainpuri, 1909-30; and now, Member of its Working Committee; Member, the U.P. Co-operative Body

Singh, Kunwar Sir Maharaj, M.A., (Oxon), Bar-at-Law, C.I.E., b. 1878. Entered U.P. Civil Service, 1904. Officiating Registrar, Co-operative Societies, U.P. 1909-10. Assistant Secretary, Government of India, Education Department, 1911. Magistrate and Collector, Hamirpur, U.P. 1917. Deputy Commissioner, Hardoi 1918. Secretary to U.P. Government 1919. Deputy Secretary, Government of India, Education Department 1920-23. Deputy Commissioner, Bahraich 1923. Commissioner, Allahabad 1927; Benares, 1928; Allahabad, 1929; Chief Minister, Jodhpur, 1931. Agent General to the Government of India in South Africa, 1932-35. Member, U.P. Legislative Assembly, 1937; Member, Executive Council, U.P. Government, 1935-37. Vice-chancellor, University of Lucknow 1941. Publications: Annual Reports on Co-operative Credit Societies in U.P. 1908-09, 1909-10; Reports on Indians in Mauritius, British Guiana and in South East Africa.

Srivastava, Jagannath Prasad, B.A., F.S.S., F.R.E.S., b. 1892. Research Assistant, Economics Department, Allahabad University, 1916-19. Director of Labour Supply under Shaw Wallace and Co., 1917. Junior Assistant Registrar, Co-operative Department, U.P., 1920, Deputed to the Improvement Trust, Allahabad to conduct a civil survey 1923-24. Assistant Secretary; Senior Research Assistant Indian Economic Enquiry Committee, 1925. Assistant Registrar, Bareilly, 1925-26. Permanent Assistant Registrar, 1927. Member, Literacy Subcommittee, 1940; Member, Advisory Board of U.P. Handicrafts, 1941. Deputy Registrar of Co-operative Societies, 1940. Publications: Labour supply from Allahabad and adjoining districts; Development of cottage industries in U.P. Report on area of survey of Allahabad Town; Enquiry into the cost of production of cotton, potato and sugar-cane crops; cost of wheat from market to Port; other pamphlets in Hindi.

Srivastava, Jwala Prasad; Dr., D.Sc., (Agra), D.Litt., (Lucknow), M.Sc.Tech. (Vict.), A.M.S.T., M.L.A., b. 1889. Proceeded to England as Government State Technical scholar 1908; Appointed as Industrial Chemist under the U.P. Government 1912; Served in the Defence Force and in the Indian Munitions Board; Gave up Government service and took up private business 1919; Member, U.P. Legislative Council 1926 and again 1930; Chairman U.P. Simon Committee 1928; Minister of Education U.P. 1931; Awarded Kt. 1934; Minister for Finance and Industries 1937; Director of various Industrial Concerns U.P., Address:—'Kailash', Cawnpore.

Srivastava, Mahabir Prasad, b. 1888. Joined the Bar, 1913. Director, Kasia Co-operative Bank, 1918; and its Managing Director, 1919-1927; Managing Director, Deoria-Kasia Central Bank, 1933-35. Started cane marketing Board, 1937. Vice-Chairman of the Bank, 1927-33 and since 1938. Address:—Kasia (Gorakhpur).

Vishnu Sahay, I.C.S., b. 1901. Deputy Commissioner, Partabgarh, 1929-33. Registrar, Co-operative Societies, 1934-39. Director of Agriculture and Cane Commissioner.

Yusuf Nawab, Muhammad, Sir, Bar-at-Law; Member Legislative Council, since 1921. Minister in charge of the Co-operative Department 1926-37. Address:—57, New Berry Road, Lucknow.

Zakaullah Khan, Khan Bahadur, Abou Abdullah Muhammad, M.A., b. 1878; Joined the Provincial executive service as Deputy Collector. Deputy Registrar, Co-operative Societies, U.P., 1924; Officiating Registrar, Co-operative Societies, U.P. 1929. Magistrate and Collector, 1929. Went to Europe and studied the rural system of education in Denmark, 1931. Representative of U.P. Government in the Council of State, 1931; Member Legislative Assembly, 1934.

AJMER-MERWARA

Gupta Chunna Lal; Joint Secretary, The Ajmer Central Co-operative Bank, 1910-12; Director, 1921-23; 1931-35; 1936-37; Hony. Secretary, 1923-31; 1937-39 and Vice-president, 1939-40.

Kedar Nath Munshi; Income-tax Officer, Ajmer; President, Kayasth Co-operative Banking Society, Ajmer.

Latif, Seth Abdul, Khan Sahib; Director, Ajmer Central Co-operative Bank since 1923; President since 1936.

Mathur, Bhanwar Lal; Inspector Co-operative Societies for sometime; Appointed Registrar of Co-operative Societies, Ajmer—Merwara, Ajmer, 1933; An enthusiastic co-operator.

Mathur, Bijey Raj; Had been Director and Hony. Secretary, The Ajmer Central Co-operative Bank for 10 years. A prominent non-official worker of the District.

Mohammed, Choudhari Fateh; Inspector of Co-operative Societies, Ajmer; Served the Co-operative Department for more than 25 years; Acted as Registrar of Co-operative Societies more than 5 times on various occasions. An experienced co-operator.

Rambell, B. D., President, Indian Presbyterian Church Co-operative Bank, Ajmer for a number of years. Hony. Secretary, Christian Co-operative Housing Society; Director, The Ajmer Central Co-operative Bank since 6 years.

Sharma, Bijey Lal, Pandit; President, the Kekri Co-operative Union since its inception.

Simlote, Debi Narain, Advocate; Hony. Secretary, The Ajmer Central Co-operative Bank; Director since 1938. An young and enthusiastic co-operator.

Tara Chand, Seth; Hony. Magistrate, Nasirabad; President, Nasirabad Central Co-operative Bank, now converted into a Banking Union, since its inception in 1913.

COORG

Belliappa, P. I., President, Coorg Co-operative Central Bank, Mercara; President of the Bank for the last 5 years; Represented Coorg as a non-official delegate at the All-India Registrars' Conference 1939; Editor of the local weekly, 'The Kodagu.'

Chengappa, P. M., Dip., Econ., C.H.D., (Manch), F.R.E.S., (London); Registrar of Co-operative Societies, Coorg, Mercara; Registrar of Joint Stock Companies, Trade Unions and Firms; The Provincial Marketing Officer; Ex-officio Secretary of the Provincial Rural Development Board; Has secured the Honours Diploma in Co-operation and Social Science at the College of Co-operation, Manchester; Studied the Co-operative Movement in England, Ireland and the Continent.

Karumbayya, K. C., Honorary Secretary, Coorg Co-operative Central Bank, Mercara; Director of the Coorg Co-operative Central Bank for over 10 years; Honorary Secretary since two years.

Pritchard, J. W., I.C.S., Chief Commissioner of Coorg; Head of the Provincial Government; The final Appellate authority under the Coorg Co-operative Societies, Act II of 1936.

Uthappa, K. T., B.A., Assistant Commissioner and District Magistrate, Coorg; Registrar of Co-operative Societies till 31-7-41; Now the authority for ordering liquidation of societies, supersession and surcharge of the committees under the amended Coorg Co-operative Act I of 1941.

Uthappa, P. M., B.A., L.T., President, The Coorg Honey and Wax Producers' Co-operative Society, Virajpet, South Coorg; President of the Society ever since its inception in 1936; President of the local Supervising Union.

INDIAN INDIA

BARODA

Desai, Manibhai Vasanji, B.A., LL.B., b. 1894; Government Pleader; Baroda High Court; President, Baroda Co-operative Land Mortgage Bank since its inception in 1933; President, Baroda Central Co-operative Bank, Baroda; Member, Baroda State Legislative Council; President, Shree Fatehsinhrao Orphanage Institution for a number of years; Member, Board of Trustees, Shree Sayaji High School, Baroda for a very long time; Deputed by the Baroda Government to attend the All-India Co-operative Registrars' Conference held at Delhi 1939; Member, Conciliation Committee, Farmers Debt Relief Committee, Baroda State Banking Enquiry Committee. Address:—Race Course Road, Baroda.

Joshi, Mahadev Mukund; Pleader; Veteran Co-operator; Responsible for starting the Government Legislative Department Servants' Urban Society at Baroda; Urban Co-operative Bank in Dabhoi and another Society in Patan. Address:—Dandia Bazar, Back Chitre's Wada, Baroda.

Krishnamachari, Sir Vangal Thiruvankata: B.A., B.L., Rao Bahadur, K.C.I.E., b. 1881; Dewan, Baroda State since 1927; Awarded Kaiser-i-Hind gold

medal 1896; Under Secretary to Government of Madras, 1916-18; Collector of Ramnad, 1923-24; Secretary, Government Law Department 1924-27; Substitute delegate to Round Table Conference, 1930; Member, Provincial Constitutions and Federal Structure Committees, 1931-32; Delegate to second and third Round Table Conferences; Delegate to the Joint Parliamentary Committee; Member, Reserve Bank Committee; Conferred C.I.E., 1926 and Knighthood 1933; Delegate, Assembly of the League of Nations, Geneva, 1934-36; Introduced many improvements in the administration of the State; A staunch co-operator and takes keen interest in the co-operative movement of the State; Under his able guidance and wise suggestions, the co-operative movement is progressing well in the State; Address:—Dilaram, Baroda.

Nanavati, Manilal Balabhai; B.A., LL.B., A.M. (Penn.) U.S.A.; b. Jan. 1877; Deputed to America for study of Practical Economics, Banking, Insurance, Co-operation, Finance, etc.; Joined Baroda State service as a Probationer in Judicial Department and worked as Magistrate at various Mahals till 1907; Ag. Director of Commerce, 1912; Director of Commerce and Registrar of Co-operative Societies, 1915; Director of Commerce, Excise Commissioner and Development Commissioner 1922; Secretary and Chief Officer, Highness the Maharaja Saheb's XIV Europe trip, 1922; Suba, Navsari District 1924; Went to Europe for study of Port Problems, 1928; Ag. Sar Suba, 1929, Confirmed as Development Commissioner; President, Harbour Board, Port Okha; Accountant General 1930-31; Sar Suba 1932; Naib Dewan (Karma Sachiv) and Ex-Officio Huzur Kamdar, 1933; Placed on special duty to report on Agricultural Indebtedness in the Baroda State; Worked as member on the Committee regarding consolidation of small and scattered holdings in the Baroda State; President, Land Mortgage Bank Committee, Banking Enquiry Committee, Federal Subjects Committee, etc., Awarded "Arunaditya" by the Government of the Baroda State for his meritorious services; Deputy Governor, Reserve Bank of India, for some time.

Parikh, Girdharlal Dosabhai; B.A., LL.B., b. 1875; Director and President, Baroda Co-operative Bank for 18 years; Director, Baroda Co-operative Land Mortgage Bank; the Bank of Baroda; Nominated Member, Baroda Legislature; Member, Baroda Co-operative Institute; Appointed Government Pleader 1915; Member, Baroda Municipality 1908; Awarded the title of "Raj Ratna" by the Baroda Government. Address:—Rajmahal Road, Baroda.

Patel, Bahilalabhai Jesinbhai, B.A., LL.B., b. 1902; Honorary Co-operative organiser for some years; Honorary Secretary, Baroda State Co-operative Institute for the last five years; Member, All-India Co-operative Institutes' Association; Baroda Municipality; Baroda District Local Board; Director, Baroda Central Co-operative Bank; took leading part in organising the Kanam Educational Bank; Editor of a monthly magazine 'Gramjivan' on Rural Life and Co-operation etc.; General Secretary, All-India Local Self-Government Conference held at Patna in 1940. Address:—Dandia Bazar, near Police Gate, Baroda.

Patel, Lallubhai Kishorbhai, Pleader, Karjan; b. 1887; Vice-President Baroda State Co-operative Institute; Member, Baroda Co-operative Land Mortgage Bank; President, Kanam Educational Bank; Member of different co-operative societies working at Karjan and specially interested in purchase and sale socie-

ties; Member, Legislative Council, Baroda; Entered Government service, (1906); Member, Taluka and District Local Boards for several years. Address:—Karjan, Baroda District.

Patel, Naranbhai Bodabhai, b. 1887. President, Co-operative Society, Kadodra, since 1912; President, Kodinar Co-operative Banking Union for ten years and now one of the Directors; Director, Baroda State Co-operative Institute. Address:—Kadodra, Taluka Kodinar, Kathiawar.

Rattanji Daboo, Dinshaw, Raj Ratna, B.A., Zamindar; b. 25th September, 1835; Representative, Baroda Government at the All-India Co-operative Conferences at Delhi and Calcutta; Elected Member, Baroda Legislative Council, 1918-1925 and nominated by Government from 1940 onwards; Member, Municipality from 1914 onwards; The first elected President from 1923 to 1925, again from 1934 to 1936; Member, District Local Board from 1917 onwards; Vice-President for 7 years; Elected first non-official President 1939; Director, District Co-operative Bank since 1922 for 19 years; its first non-official elected President for 17 years since 1924; Founded the District Co-operative Land Mortgage Bank in 1938 and has been its President since; Member, The Baroda Banking Inquiry Committee; Baroda Education Board; Agricultural Improvement Committee; Baroda Economic Board; Central Communication Board; Awarded 'Raj Bhushan' and a silver medal 1927; title of 'Raj Ratna' with a gold medal and 'Poshak' by the Baroda Government, 1936. Address:—Loonsi Kui, Navsari.

Tambe, Gangadhar Madhav, B.A., LL.B., Raj Ratna; b. 1882; Director, Anyo-annya Sahayak Sahkari Mandali since 1916; President now; President, Baroda Co-operative Insurance Society, Mehsana; Vice-President, Baroda Co-operative Institute; Appointed Government Assistant Pleader in High Court 1938; Published the Baroda Law Reports for 10 years; Awarded the title of 'Raj Ratna'. Address:—Kharivava Road, Baroda.

COCHIN

(N.B.—No other Particulars are furnished—*General Editor*).

Achutha Menon, C. P., B.A., Secretary, Cochin Land Mortgage Bank.

Achutha Menon, K., President, Ernakulam Town Co-operative Society.

Achutha Panickar, V. M., B.A., B.L., Advocate; President, Cranganur Town Co-operative Bank.

Alakappa Chettiar, R. M., President, Cochin Textiles Co-operative Stores.

Ananthakrishna Iyer, K. V., President, Nemmara Co-operative Society.

Anthas, K. J., President, Edacochi Co-operative Society.

Anthony, K. M., President, Mattom Co-operative Society.

Antia, K. M., President, Tatapuram Co-operative Society.

Appunni, K. A., President, Mattathur Co-operative Society.

Chakkanat Govinda Kaimal, B.A., B.T., President, Palluruthy Co-operative Society.

Cheekkunni, P. M., President, Perumpilli Marana Vasya Co-operative Society.

Cherian, K. T., B.A., L.T., President, Mulanthuruthy Government Servants' Co-operative Society.

Cherunni Raja, C. A., President, Kunnankulam Home Industrial Co-operative society.

Chevalior Antony, C. V., B.A., B.L., K.S.G., Rao Sahib; President, Cochin Land Mortgage Bank and Retired Chief Justice of the Cochin High Court.

Damodaran Bhattachiripad, P., President, Porkulam Co-operative Society.

Damodaran Nambiar, V. N., B.A., B.L., M.L.C., President, Thaikoodam Rural reconstruction Co-operative Society.

Francis, A. D., President, Cherpu Carpenters' Co-operative Society.

George, G., Rev. Fr. Thotakat; President, Kāruthedom Maranavasya Co-operative Society.

George, Mrs. K. M., B.A., L.T., President, Cochin Teachers' Benefit Fund Co-operative Society.

George, P. R. Dr., President, Trichur Municipal Council Employees' Co-operative Society.

Goriavabha Menon, V. K., Dr., President, All-Cochin Bee-Keepers' Co-operative Society.

Govinda Pai, N. B.A., M.L.C., President, Mattanchery Saraswath Co-operative Society.

Govinda Pillai, K., President, Veliyanad Rural Reconstruction Co-operative Society.

Hanumanthachar, C. K., B.A., B.L., L.T., President, Mattanchery Government Servants' Co-operative Society.

Issac, V. I., President, Veliyanad Co-operative Society.

Iyer, D. D., President, Tatapuram Co-operative Stores.

John Blair Skea; President, Burmah Shell Employees' Co-operative Society.

John, K. V., B.A., Secretary, Cochin Central Co-operative Bank.

John Palakkath, Rev. Father, President, Mulanthuruthy Co-operative Society.

Joseph, K. J., President, Mulanthuruthy Group Aided Teachers' Co-operative Society.

Joseph, M. P., Dr., President, Kunnankulam Government Servants' Co-operative Society.

Joseph, Manjooran, V., M.A., L.T., President, St. Albert's High School Employees' Co-operative Society.

Karunakara Menon, A., B.A., L.T., President, Vivekodayam Samajom Co-operative Society.

Karunakaran Nair, K., President, Maharaja's College Co-operative Society.

Kerala Varma, B.A., 9th Prince; President, Poornathraisa Vilas Stores Co-operative Society.

Kochukunhan Kaimmal, K., B.A., B.L., M.L.C., Secretary, Cochin Cottage Industries Marketing Society.

Kochunni Menon, K. P., President, Karuppadanna Rural Reconstruction Co-operative Society.

Krishna Iyer, C. S., President, Ayloor Co-operative Society.

Krishnan Ezhuthassan, C., President, Chelakkara Co-operative Society.

Krishnaswami Iyer, T. K., Dr., President, Ernakulam Municipal Employees' Co-operative Society.

Kunhayyappan, T. K., President, Karamukku Co-operative Society.

Kunhunni Marar, K., B.A., President, Trichur Government Servants' Co-operative Society.

Kunhunni Nair, P., President, Nedumpura Co-operative Society.

Kunjan Bava, E. A., President, Edavilanga Co-operative Society.

Kunjathu, K. O., President, Pengamukku Co-operative Society.

Kunjumohammad Hajee, K. M., President, Loka Maleswaram Model Panchayat Co-operative Society.

Kuru, E. P., President, Mulanthuruthy Co-operative Union.

Kuttappa Pillai, B. P., President, Kanjiramittom Pattaria Co-operative Society.

Madhava Menon, P., B.A., B.T., Hon'y. Secretary, Cochin Central Co-operative Institute.

Madhava Menon, P. K., President, Chowarah Co-operative Society.

Madhava Menon, V., President, Peringottukara Co-operative Society.

Madhavan Nair, A., President, Kandassankadavu Co-operative Society.

Mannadiar, C. V., President, Forest Tramway Co-operative Society.

Meenakshikutty Ammal, T. V., President, Amballur Vanitha Co-operative Society.

Mohammad, V. A., President, Edavanakkad Co-operative society.

Narayana Iyer, G. R., President, Ernakulam Government Servants' Co-operative Society.

Narayana Iyer, K. G., B.A., B.T., President, Irinjalakuda Government Servants' Co-operative Society.

Narayana Kaimmal, O., President, Vaittila Group Aided Teachers' Co-operative Society.

Narayana Kurup, K., President, Kanippayyur Co-operative Society.

Narayana Menon, K., M.A., C.H.D., (Manchester), Registrar of Co-operative Societies, Trichur.

Narayana Menon, T., B.A., Dip. in Forestry (Oxon); Conservator of forests; President, Tramway Employees' Co-operative Stores.

Narayana Poduval, A., President, Kodakara Model Panchayat Co-operative Society.

Ouseph, C. A., B.A., B.L., Advocate; President, Trichur Town Christian Co-operative Bank.

Padmanabha Menon, P. M., President, Pattanchery Co-operative Society.

Parameswaran Namboodiri, K. N., President, Manaloor Co-operative Society.

Parameswaran Namboodripad, K. M., President, Killimangalom Co-operative Society.

Parameswara Iyer, T. A., President, Cranganur Government Servants' Co-operative Society.

Panickar, C. S., President, Chittur Tathamangalom Co-operative Society.

Paul Samkoorikal; President, Narakkal Government Servants' Co-operative Society.

Pulikal Govinda Menon; President, Anthikad Co-operative Society.

Rama Iyer, N. S., B.A., L.T., President Cochin Central Co-operative Institute.

Ramakrishnan, C., President, Ochanthuruthu Thorzhilali Co-operative Society.

Rama Menon, T. K., President, Chennamangalom Co-operative Stores.

Raman, A. R., President, Chittur Revenue Department Government Servants' Co-operative Society.

Ramanatha Iyer, A. V., B.A., LL.B., Advocate; President, Oriental Marketing Co-operative Society.

Raman Menon, P., M.A., B.L., Government Pleader; President, Trichur Town Co-operative Society.

Raman Menon, T. K., B.A., President, Chennamangalom Co-operative Society.

Raman Nair, K. T., President, Cheruthuruthy Co-operative Society.

Raman Nair, T., President, Ayloor Nair Samajom Co-operative Society.

Ramunni Menon, Kottayil; President, Chiyaram Rural Reconstruction Co-operative Society; Retired Conservator of Forests.

Sahasranama Iyer, S., President, Trippunithura Government Servants' Co-operative Society.

Sankarankutty Earriar, E., President, Marathakara Rural Reconstruction Co-operative Society.

Sankara Menon, C., President, Wedakkanchery Government Servants' Co-operative Society.

Sankaran Nair, E., President, Peringandur Co-operative Society.

Sankunni Nambidy, M., President, Viyyur Co-operative Society.

Satchit, T. M., President, Palluruthy Co-operative Union.

Sivarama Menon, K., President, Cranganur High School Co-operative Stores.

Sivarama Menon, K., President, Thiruvillamala Co-operative Society.

Sreedhara Menon, K., M.A., LL.B., B.Com., Business Manager, Cochin Cottage Industries Marketing Society.

Sreenivasa Iyer, N. G., (Ex-officio) President, Nemmara High School Students' Co-operative Store.

Subramania Iyer, C. P., President, Chittur Government Servants' Co-operative Society.

Subramania Iyer, P. V., Retired Comptroller of Finance and Accounts; President, Cochin Cottage Industries Marketing Society.

Subramanian Nambudiri, E. M., President, Thalore Rural Reconstruction Co-operative Society.

Vareed, C. V., President, Aranattukara Oriental Co-operative Society.

Varkki, N. K., President, Kureekad Co-operative Society.

Vasudevan Nambudripad, A. K. T. K. M., President, Cochin Central Co-operative Bank.

Yusuff Ismail Sait; President, Mattanchery Municipal Co-operative Society.

HYDERABAD

Akbar Alam Mohd., M.A., LL.B., b. 1901; High Court Vakil; Gulbarga; President, Gulbarga Urban Bank for the last 10 years; Vice-President, Co-operative Central Bank, Gulbarga; He is rendering valuable service as the Secretary of the Co-operative Mulki Industries' Association and as the President of the Shahpur Village Bank; Member, Gulbarga Municipality, the Village Uplift Board; Honorary Secretary, Temperance Society; He is a keen agriculturist and has been awarded a silver medal by the Agricultural Department for his activities pertaining to agricultural improvements in his province.

Amir Beg Mirza; b. 1891; Vakill, High Court; Mahboobnagar; He is an enthusiastic co-operator and is doing honorary work in the Co-operative Movement for the last 17 years; Secretary, Co-operative Central Bank Mahboobnagar; Member, District Rural Reconstruction Board; and the District Local Fund Board.

Aravamudu Aiyengar, S., B.A., B.L., Dewan Bahadur; b. 1874; Advocate, High Court H.E.H., the Nizam's and Federal Court India; He is an enthusiastic co-operator taking a keen interest in all the activities of the movement since its inception; President, Hyderabad Co-operative Dominion Bank, Hyderabad and Vice-President, Central Co-operative Union; Presided over the Indian Co-operative Conference and the Madras Provincial Co-operative Conference; Member, Co-operative Finance Enquiry Committee; and Rural Reconstruction Board; President, Hyderabad Reforms Committee.

Azam, S.M., M.A. (Cantab.), B.Sc.; F.C.S.; Vice-President, Hyderabad Dominion Co-operative Bank; Principal, City College; Agricultural Director of Public Instruction, representing the City College Co-operative Credit Society.

Chhote Lal Rai, b. 1862; Was elected Secretary of the Central Bank, Aurangabad at the time of its inauguration and holds the post till now. When an Urban Bank was established at Aurangabad he was elected its President. Member, District Local Fund Committee and Vice-President, Market Committee Aurangabad.

Devidas Rao, Gangadhar; Vakill, Parbhani; Hony. Secretary Co-operative Central Bank, Parbhani; His able guidance and zealous work has enabled the Central Bank to steer clear through the financial difficulties in which it has involved on account of the general economic depression combined with a succession of bad crops.

Fazalullah Syed, H.C.S., Registrar, Co-operative Societies.

Gangadhar Rao; Vakill; Secretary, Central Bank, Hingoli.

Gupta, L.N., H.C.S., Secretary, Hyderabad Co-operative Insurance Society; Assistant Financial Secretary; Member, Executive Committee Hyderabad Co-operative Dominion Bank representing Insurance Society.

Hamimuddin Kazi Mohd; High Court Vakill, Jalna; b. 1902; Was elected as the Honorary Secretary of the Co-operative Central Bank Jalna in 1938 which post he holds until now; Member, Debt Reconciliation Board and the Jalna Municipality.

Hussain, Hafiz Ghulam Ahmed; Vakill; Secretary, Central Bank, Bhongur.

Hussain Syed; High Court Vakill, Yadgir; b. 1890; A well-known Inamdar and a staunch co-operator; Secretary, Co-operative Central Bank, Urban Bank and the Sale Society at Yadgir; he is also a Secretary of the Lawyercs' Association and a member of the Local Anti-Plague Committee.

Imitiaz Khan; Contractor; Vice-President, Central Bank, Kammam.

Kasi Rao; Vakill; Secretary, Central Bank, Nizamabad.

Kishen Chand; Prof.; M.A. (Cantab.); Director, Baldia Bank, Hyderabad (Deccan); Member, Executive Committee, Hyderabad Co-operative Dominion Bank.

Liakatulla Khan, Mohammad, H.C.S., President, Hyderabad Co-operative Insurance Society; Financial Secretary.

Mahbub Ali, Mir; Vakil; Secretary, Central Bank, Suryapet.

Manik Rao; Vakil; Secretary, Central Bank, Osmanabad.

Mohomed Isa Syed; Vakil, Raichur, b. 1886; Secretary, Co-operative Central Bank and the Co-operative Sale Society of Raichur; With the inauguration of the Urban Bank Raichur he was elected its President and holds the post till now; Member, District Local Fund Committee.

Ramanujachary; Vakil; Secretary, Central Bank, Mahbubabad.

Raziuddin Ahmed, H.C.S., Joint Registrar, Co-operative Societies.

Razuddin; Director, Mallepalli Co-operative Housing Society, Hyderabad.

Shahabuddin; b. 1895; High Court Vakil, Nalgonda; Has been rendering valuable service to the movement for the last 10 years; Hon. Secretary, Co-operative Central Bank, The District Temperance Association and the Association for Prevention of Cruelty to Animals; Member, District Rural Reconstruction Board and the Local Fund Committee.

Shaukatullah; Director, Mallepalli Co-operative Housing Society, Hyderabad.

Venkat Rao, A. H., Secretary, Prudential Co-operative Central and Urban Bank, Secunderabad.

INDORE

Aiyar, V. R. S., Prof., M.A., M.L., Senior Professor of Law in Holkar College, Indore; Secretary of the Indore Public Service Commission; Director, Indore Premier Co-operative Bank and Indore Co-operative Central Association for several years and the convener of the Co-operative Training Classes.

Avadhoot, D. P., B.A., LL.B., A Revenue Secretary and also worked as Registrar, Co-operative Societies Holkar State for about a year; Director of the Indore Co-operative Central Association.

Bingle, B. R., Capt.; Dip. (Agric.) Wye; Registrar Co-operative Societies Holkar State, Indore for some time; Inam Commissioner, Holkar State, Indore; An A.D.C. to His Highness the Maharaja Holkar.

Bhagwat Radhabai Saheba; Shreemant Saubhagyavati; Wife of Bhagwat M. N., Dilerjung Lt.-Col., B.A., (Oxon), Honorary A.D.C. to His Highness the Maharaja Holkar; A lady worker in the Co-operative Movement; Was a Director of the Indore Co-operative Central Association; Conducting a Women's Co-operative Society called "Mahila Vastra Bhandar"; President, Apli Sahakari Sanstha.

Bhalerao, D. G., Advocate; A leading Pleader and Co-operator; For some years the Managing Director of the Indore Premier Co-operative Bank and the President of the Indore Co-operative Central Association; A legal Adviser of the Indore Premier Co-operative Bank.

Bhandari, Seth Kanhayalaji; Raj Bhushan, Rai Bahadur; Leading Mill owner, Merchant and Banker; Director, Premier Co-operative Bank for a number of years; Patron of the Indore Co-operative Central Association.

Bhandarkar, Y. V., B.A., LL.B., Rao Bahadur; 1st Puisne Judge of the High Court; Director of the Indore Premier Co-operative Bank.

Bhate, K. T., Secretary, Indore Co-operative Central Association for a number of years; Director of the Indore Co-operative Central Association, and conducted the journal called "Sahakari Madhya Bharat" as an Editor for a few years; Director, Sanawad Co-operative Central Bank.

Chaskar, K. S., Dr., L.R.C.P., M.R.C.S., (London); Rao Sahib; Director of the Indore Premier Co-operative Bank and President of the Indore Co-operative Central Association.

Fadnis, S. W., B.A., LL.B.; A Pleader and Municipal Councillor; He was also a Director of the Indore Premier Co-operative Bank and also the Vice-Chairman of the Indore Co-operative Central Association; Legal Adviser of the Indore Premier Co-operative Bank and the Indore Co-operative Central Association.

Gole, V. G., Prof., B.Sc., LL.B., Professor of Mathematics in Holkar College; A Director and Chairman of the Working Committee of the Indore Premier Co-operative Bank and President of the Indore Co-operative Central Association.

Hiralaljee Seth, Rajya Bhushan, Rai Bahadur, M.L.C.; A leading Merchant, Banker and Mill owner; Also a Director of the Indore Premier Co-operative Bank and a Patron of the Indore Co-operative Central Association; The first non-official President of the Indore City Municipality.

Hukumchandji Seth, Raj Ratna, Sir; Leading Commercial Magnate of Central India; Director, Indore Premier Co-operative Bank, since its establishment.

Karambelkar, W. T., B.A., LL.B., Secretary, Indore Premier Co-operative Bank; Secretary, Indore Co-operative Central Association for a few years; Member, Standing Finance Committee, Indore State; Toured in British Provinces to study the working of the Co-operative Movement; Director, Indore Co-operative Central Association and Sanawad Co-operative Central Bank.

Karnik, A. G., Prof., B.A., B.L., Rao Bahadur; Senior Indian Professor, Daly College, Indore; From the beginning Director of the Indore Premier Co-operative Bank and for many years Chairman of the Working Committee of the Bank; One of the organizers of Urban Co-operative Society named 'Chandra Seniya Kayastha Prabhu Paraspar Sahakari Pat Pedhi'; One of the Directors and President of the Indore Co-operative Central Association.

Khan, A. R., M.A., LL.B., Bar-at-Law; Wafadar-i-Dowlah; Was Deputy Inspector General of Police; Director of the Indore Premier Co-operative Bank and the Indore Co-operative Central Association for number of years.

Khasgiwaie, N. G., B.A., LL.B., Muntazim-i-khas Bahadur; A Jagirdar; Director of Land Records, Subha of Indore and Huzur Khajanchi of the Holkar State; For the past two years; Managing Director of the Indore Premier Co-operative Bank; Also President of the Indore Co-operative Central Association and he is at present Vice-Chairman.

Kibe, M. V., M.A., M.R.A.S., F.R.A.S., M.L.C.; Wazir-Ud-Dowlah; Rao Bahadur, Shreeman, Sardar; Jagirdar and a Sardar of the State; For several years Deputy Prime Minister of the State; Chairman of the Board of Directors of the Indore Premier Co-operative Bank from the very beginning of the movement; Presided over a number of District Co-operative Conferences and the State Conferences.

Kothari, N. G., M.A., LL.B., A Pleader and Municipal Councillor; A Director of the Indore Premier Co-operative Bank and the Indore Co-operative Central Association.

Mate, V. P., Muntazim Bahadur; Assistant Accountant General of the Holkar State, Indore; Promoter of the urban side of the Co-operative Movement.

Patil, S. G., Prof., M.A., LL.B.; Professor Christian College; Was a Director, Indore Co-operative Central Association.

Purandare, K. B., Muntazim-i-khas Bahadur; House-hold Officer, Holkar State and a Director, Indore Premier Co-operative Bank.

Puranick, K. D., Director of the Indore Premier Co-operative Bank.

Rahalkar, D. K., B.Sc., LL.B., Rai Ratan; Village Panchayat Officer; A Director of the Indore Co-operative Central Association.

Rege, M. B., B.A., LL.B., 2nd Puisne Judge of Indore High Court; Public Prosecutor and Legal Adviser of Holkar State and a Professor of law in Holkar College for sometime. Chairman of the Board of Directors of the Indore Premier Co-operative Bank.

Samvatsar, S. M., M.A., LL.B.; Vakil and Prof. of Law in Holkar College; Legal Adviser of the Bank and the Association and Member of the Working Committee of the Indore Premier Co-operative Bank and a Director of the Indore Co-operative Central Association.

Sherlekar, A. G., Rai Ratan; Manager of the Indore Premier Co-operative Bank for about 18 years; A Director and Organiser of the Indore Co-op. Central Association and a Member of the Standing Committees of the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association; Convener of the Propaganda and Education Committee of the Indore Co-operative Central Association and the Conference of Central India, Rajputana and Gwalior; Elected member on behalf of India of the International Co-operative Congress, Paris, 1937; Visited European countries and studied the Co-operative Movement there; Registrar, Co-operative Societies, Indore.

Sukhatankar, V. A., Ph.D., Director of School Education; Joined the Indore Premier Co-operative Bank as a Director and looked into the detailed working of the Bank and rural Co-operative Societies in the interior; A Director of the Indore Co-operative Central Association; Started Rural Uplift Centres.

Tambe, B. L., Assistant Registrar of Co-operative Societies; Secretary, Indore Co-operative Central Association for a number of years; Director, Indore Co-operative Central Association.

Tambe, S. L., B.A., Muntazim-i-khas Bahadur, Rao Bahadur; Founder of the movement in the State and first Registrar of Co-operative Societies; Rural Development Commissioner and officiating Revenue Minister; Presided over many Conferences and Rallies; For some time Municipal President and leader of the house in the Indore Legislative Council.

JAMMU AND KASHMIR

Afzal Baig; Anantnag, Kashmir; Director, Central Co-operative Bank, Anantnag; Taken active interest in popularising the Co-operative Movement by attending Conferences and addressing the masses.

Aga Syed Ahmed; Fellow of the Co-operative Institute; Assistant Registrar for five Years; For the first time organised purchase and sale societies, production and trade societies, agricultural development associations and above all the Co-operative Institute.

Amolak Ram Malhotra, L., Organised over sixty societies; Insurance magnate of Kashmir; Has organised a Radio Supply Society in Jammu; Propaganda Officer of the Institute; Editor, *The Co-operator's Bulletin*.

Gulam Mohammad Baig; Zaildar, Anantnag, Kashmir; Secretary, Central Co-operative Bank, Anantnag.

Gulam Nabi; Anantnag; Non-official President, Central Co-operative Bank in the State; One of the early promoters of the idea of establishing a Co-operative Institute in the State.

Gupta, H. L., M.A., B.T., Principal, Model Academy, Jammu; President, Jammu and Kashmir Co-operative Institute; Connected with the Co-operative movement since 1930; Managing Editor: *The Co-operator's Bulletin*; Economist and an educationalist; Member, Standing Committee of the All-India Co-operative Institutes' Association.

Miyan Hyat Mohammed, Chohala, Tehsil R. S. Pura; Pioneer Co-operator of the State; Organised the first Society in the State and its President since then.

Pritam Chand Rao, M.A., Registrar, Co-operative Societies, Jammu and Kashmir State.

Saraf, D. N., M.A., B.Com., Managing Editor, *The Ranbir—Kashmir's first and premier weekly*; Joint Editor, *The Co-operator's Bulletin*; Represented the Institute in the Joint Session of the All-India Co-operative Institutes' Association and Indian Provincial Co-operative Banks' Association, held in Bombay in January, 1941.

Sardar Jovind Singh, Ranbirsingh Pura, Jammu Province; has shown enthusiasm in the spread of co-operative movement and organised many societies; Member of the Agricultural Development Co-operative Association; He has won prizes as a fine breeder of horses and grower of crops.

Satyapal Vohra, L., Lawyer of Srinagar; Member, the Jammu and Kashmir State Assembly; Honorary Secretary, Central Co-operative Bank, Srinagar (Kashmir).

Shaikh Gulam Gaus; Advocate, Jammu; Secretary the Jammu and Kashmir Co-operative Institute; Honorary Secretary, Jammu Co-operative Central Bank; Veteran Co-operator of twenty years standing; Organised some supply societies and stores also; Active participant in Co-operative Conferences.

Wazir Feroz Chand; Governor, Jammu; Ex-Registrar, Co-operative Societies; Initiated the rehabilitation scheme here much earlier than in other parts in India; Pioneer of the Co-operative Movement.

MYSORE

Abdul Hukh, M., B.A., b. 1887; Joined Mysore State Service as a Probationer, 1911; Served as Amildar in several stations; Assistant Commissioner, 1918; Headquarters Assistant to the Excise Commissioner, 1925; District Excise and Civil Officer, 1931; Sub-division Officer, Tumkur, 1923; Deputy Commissioner Kadur District, 1935; Registrar of Co-operative Societies in Mysore, since 1937; Address:—Basavangudi, Bangalore City.

Ananthakeshavachar, B. S., Secretary, Chickmagalur Co-operative Land Mortgage Society for over six years; Secretary, Chickmagalur Town Co-operative Society for two terms; Arbitrator of Co-operative Societies' Disputes; Address:—Pleader, Chickmagalur.

Ananthiah, A., Pleader, Shimoga; Director, Secretary, Joint Secretary, President and Vice-President Shimoga Co-operative Bank for the past 28 years; Shimoga House Building Co-operative Society for the last 15 years; District Honorary Organiser, Co-operative Societies, Shimoga District for several years; Awarded a Public Service Medal; Member, The Mysore Representative Assembly for several years; District Board and Town Municipal Council, Shimoga.

Carleston, H. H., I.C.S., Collector and District Magistrate; Justice of the Peace; President, Municipal Commission; Ex-Officio Assistant to the Resident in Mysore; Marriage Registrar; Assistant Commissioner of Income Tax and Registrar of Co-operative Societies; Address:—Collector's House, Bangalore.

Chandrasekhara Aiyar, K. S., B.A., B.L., Dewan Bahadur, Rajadharmapravina; b. 1869; Joined Mysore Civil Service as Assistant Commissioner, 1892; Assistant Secretary to Government 1896; Dy. Secretary, 1904; Secretary, 1906; Officiating District and Sessions Judge, Bangalore, 1904; Judge, Chief Court, Mysore, 1907; Second Member of Council, 1916; Offg. Chief Judge, Mysore, 1919; First Member of Council, 1919; Chief Judge, 1921; Retired 1924; Chairman, Hindu Law Reform Committee, 1930; Mysore Government Retrenchment Committee, 1931; Member, Mysore University Council, and Senate 1931; Chairman, Mysore Committee on Co-operation, 1936; President, Public Library Committee, Bangalore, 1934-35; Chairman, Prison Reforms Committee, 1941; Address:—Chandra Vilasa, Basavangudi, Bangalore City.

Gopalakrishna Shetty, P., B.A., B.L., b. 1905; Vice-President, The Kheddar Co-operative Society; The Mysore Provincial Aryavaisya Co-operative Society; Member, The Executive Committee and Development Committee, The Co-operative Federal Union, Mysore; Executive Committee, The Housing Co-operative Society, Mysore; The Governing Body and the Working Committee, The Co-operative Institute; Formerly Vice-President, The Kanyakaparameswari Co-operative Society, Mysore; Member, Executive Committee, The City Co-operative Bank, Mysore; and the Mysore Co-operative Society; Honorary Lecturer and Examiner, The Co-operative Training Classes; Municipal Councillor, Mysore City, for one term; Secretary, Bar Association, Mysore for two years; Address:—Advocate, Sayyaji Rao Road, Mysore.

Gopalaswamy Iyengar, M. A., M.A., B.L., b. 1899; Enrolled as Advocate of the Mysore High Court, 1925; Editor, *Mysore Observer* 1930-1933; Publications:—"Indian Constitution" in Kannada; "Proposals for Constitutional Reforms in Mysore and the Case for Responsible Government in Mysore" in English; "Biographical essay on Mahatma Gandhi;" essay on hand spinning, and hand weaving etc.; Hon. Secretary, Mysore Co-operative Institutes' and Provincial Banks' Association, 1934-37; Member, Representative Assembly for Co-operation, 1933-36; Member; Committee of Management, Public Library, Bangalore from 1935; Mysore Provincial Board, All-India Harijan Sevak Sangh, Delhi; Hon. Joint Secretary, Central Council of Mysore Lawyers' Conference from 1937; Member, Bangalore City Municipality from 1941; Hon. Secretary and Treasurer of Bangalore City Municipal Congress party from 1941; Address:—Advocate, 8. III Cross, Shankarpur, Bangalore City.

Green, J. M., I.P., Commissioner of Police and President, Police Co-operative Society, C and M Station, Bangalore; Address:—Ali Asker Road, Bangalore.

Gundu Rao, Y. V., M.A., Director, The Mysore Provincial Co-operative Apex Bank; President, Sri Arakanatha Co-operative Bank 1924-36; Secretary, The Land Mortgage Society, Krishnarajanagar, 1935-37; Director, The Central Land Mortgage Bank 1937-38; President, Mysore District School Board, 1936; Vice-President, Municipal Council, Krishnarajanagar 1934-40; Member; Representative Assembly 1935-37; Awarded public service gold medal 1940; Address:—Krishnarajanagar, Mysore District.

Harihara Iyer, N. S., Officer-in-Charge No. 6 (South India) Survey of India; President, Survey of India Co-operative Society, Civil and Military Station, Bangalore; Address:—Basavangudi, P.O., Bangalore City.

Javaraya, H. C., L.Ag., F.L.S., F.R.H.S., Rao Bahadur; Director of Horticulture and Chief Marketing Officer in Mysore, Bangalore; Joined Mysore Service as Horticultural Instructor, Government Botanic Gardens 1913, Mokhtesar, Palace Estates and Gardens, 1914; Assistant Superintendent, Govt. Gardens and Museum 1918; Superintendent in charge 1918; Economic Botanist and Offg. Superintendent, 1925; Superintendent, Government Gardens and Hill Stations, 1925; Offg. Director of Horticulture 1930 and 1931; Superintendent, Government Gardens, 1932; Senior Marketing Officer, Gardens and Hill Stations, 1940; Director of Horticulture and Chief Marketing Officer in Mysore, 1941; Chairman, Mysore Horticultural Society; Publications:—'Gardens Sisal Hamp,' 'Insecticides,' etc.; Government Director, Mysore Tobacco Company; Joint Registrar, Co-operative Marketing Societies, Mysore; Address:—Lalbagh House, Bangalore City.

Jayathirthachar, R. K., B.A., LL.B., Advocate, Shimoga; Director; Shimoga Co-operative Bank for the last sixteen years; and now its President; Director, Shimoga House-building Co-operative Society for the last five years; Shimoga Co-operative Stores, and the Mysore Provincial Co-operative Apex Bank for the last five years; Member, The Governing Body, The Mysore Co-operative Institute; District Propaganda Officer, Shimoga; Member, The Standing Advisory Committee of Co-operators; Awarded Certificate of Honour at the XXVI Mysore Provincial Co-operative Conference.

Krishna Rao, A., B.A., B.L., b. 1875, President, The City Co-operative Bank, Mysore since 1924; Non-official delegate of the Mysore Province for the Registrars' Conference of 1928; President, Mysore Provincial Co-operative Conference 1935; Member, Co-operative Enquiry Committee 1935-36; President, The Central Paddy Co-operative Federal Union, Mysore 1934-38; President, Chamarajapuram Co-operative Stores, Mysore 1935; Formerly Director, The Provincial Co-operative Apex Bank; Member, Governing Body, The Provincial Co-operative Institute; Committee Member, The Mysore Co-operative Society; Member, The Mysore Political Affairs Committee since 1938; Director Sri Krishnarajendra Cotton Spinning and Weaving Mills, Mysore since 1924; Member, Mysore Legislative Council 1927-30; the Representative Assembly and the Mysore District Board for three years in each; Municipal Councillor, Mysore city, 1916-36 with a break of one term; Member, City Improvement Trust Board, Mysore 1918-22; and 1931-34. President, The Mysore City Public Library Committee; Address:—Advocate, Lakshmipuram, Mysore.

Kuppuswami Iyengar, C. S., Lokasevasakta; Retired Deputy Commissioner, Bangalore; President, Mysore Provincial Co-operative Apex Bank since 1937; Mysore Co-operative Institute since 1937; Mysore Central Co-operative Land Mortgage Bank since 1941; Director, The Bangalore Central Co-operative Bank for some time; Member, Standing Advisory Committee of Co-operators, Mysore; Executive Council, The Mysore Horticultural Society for some time; Address:—"Krishna-bhavan", Basavangudi, Bangalore City.

Mohamed Imam, J., B.A., B.L., b. 1897; First Non-Official President, The Jagalur Municipal Council, 1933-36; President, Chitaldrug District Board, 1936-40; Chitaldrug Co-operative Land Mortgage Society; Chitaldrug Local Education Authority; Director, Mysore Provincial Co-operative Apex Bank; Mysore Chemicals and Fertilisers and Mysore Kirloskars Ltd.; Member, Committee on Co-operation in Mysore; Agricultural Relief Committee; Delimitation Committee; Mysore Reforms Committee 1939-40; Board of Management, Mysore Iron and Steel Works; Representative Assembly and Legislative Council for several years; Mysore University Senate from 1928; and The University Council; Elected to the reformed Council and Minister for Education, Co-operation etc.; Address:—Basavangudi, Bangalore City.

Narasimhaiya, C., B.A., B.L., b. 1872; Member, Co-operative Advisory Board; Vice-President, The City Co-operative Bank since 1929; President, The Mysore Co-operative Society 1934-37; President, Chamarajapuram Co-operative Stores, Mysore 1936-38; Vice-President, Co-operative Federal Union, Mysore 1934-38; Director, The Central Paddy Co-operative Society; Member, The Legislative Council, 1916-20—1923-26 and 1941; Representative Assembly, Mysore 1913-30; Mysore Reforms Committee 1939; President, Seventh Mysore Provincial Lawyers' Conference; President, Bar Association, Mysore 1925-36; President, The Delvey's Anglo Sanskrit School and the Saradavilas Patasala; Municipal Councillor, 1916-40; Member, City Improvement Trust Board for nine years. Address:—Advocate, Lakshmipuram, Mysore.

Narayana Rao, S., b. 1867; Entered State Service, 1892, and served as Amildar Special Asst. Settlement Officer, Bethamangala Water Supply Project, City Magistrate, Revenue Sub-Division Officer, District Supt. of Police; Retired, 1923. Member, The Bangalore City Municipal Council, 1927-29; Chairman, First Class Bench Court; Secretary, The Mysore Provincial Co-operative Apex Bank, 1927-28; Vice-President, 1924-26; Director, 1930-32—1937-38 and 1939-40; A Founder; Member, The Bangalore City Housing Co-operative Society and the Narasimharaja Co-operative Colony; Secretary, 1927-1935; President, 1940-41; Director, 1937-40; Director, The Mysore Central Co-operative Bank, 1936-38; Member, The Governing Body, The Mysore Co-operative Institute; Recently organised The Mysore Co-operative Pharmacy and Medical Aid Society. Address:—Saligrama Nilaya, Shankarapur, Basavanagudi P.O. Bangalore.

Rajagopala Iyengar, T. S., M.A. LL B., b. 1906; Vice-President; The Co-operative Federal Union, Mysore; Member, Executive Committee; The Mysore Co-operative Society; The Housing Co-operative Society; Hon. Secretary, The Mysore Co-operative Society; 1937-39; Director, The Khedder Co-operative Society, Mysore; Director, The City Co-operative Bank, Mysore for some time; Honorary Lecturer and Examiner, The Co-operative Training Classes; Member, The Governing Body, The Co-operative Institute for some time; Member, Representative Assembly, Mysore; Municipal Councillor, Mysore City, 1936-39; Member, the All-India Congress Committee, 1937-40; Member, The Mysore Congress Working Committee for some time. Publications (1) The Indian women in the new age; (2) Indians overseas; (3) The Making of Rural India and Prohibition. Awarded the title of Vidyabhushana. Address:—Pleader, Krishnakuteera, Sayyaji Rao Road, Mysore.

Ramappa, S., Member. Mysore Representative Assembly, 1930-34 and since 1937; Kolar District Board, 1930-33 and since 1936; Vice-President, Srinivasapur

Municipal Council for 8 years till 1923; Kolar District Board, since 1939; Director, Srinivaspur Co-operative Society 1937-39; Malliappanhalli Co-operative Society, since 1939; Secretary, Srinivaspur Co-operative Society, 1924-29, and since 1939; Awarded Certificate of Honour at the XXVI Mysore Provincial Co-operative Conference for services in the Movement. Address:—Vice-President, Kolar District Board, Kolar.

Rama Rao, A. N., B.A., B.L., b. 1905; Assistant District Scout Commissioner for Bangalore District; Member of the State Scout Council; Mysore Representative Assembly, elected from Co-operative Constituency; Mysore University Senate; Non-Official President R.M.S. and Postal Union; Director, Bangalore Industrial and Commercial Co-operative Society, 1932-35; Bangalore City Co-operative Bank, since 1934; Mysore Provincial Co-operative Apex Bank, 1936-38 and since 1940; President, Sri Rama Sathaha Co-operative Society, Bangalore, 1934-35; Chickpet House Building Co-operative Society, Bangalore, 1934-37; Secretary, Apex Bank 1936-37; Mysore Co-operative Institute 1937-40; and Bangalore City Corporative Bank, 1940. Address:—"Annapurna", Visweswarapuram, Bangalore.

Ramaswami, H. V., M.A., B.L., b. 1884; Joined service as probationary Asst. Commissioner in the General and Revenue Secretariat, 1910; City Magistrate, Mysore, 1917; Asst. Secretary to Government and Asst. Secretary, Department of Agriculture and Ex-officio Secretary to the Board of Agriculture, Bangalore, 1921; Asst. to the Revenue Commissioner 1922; Deputy Commissioner, 1927; General Secretary to Government, 1932. Ag. Inspector General of Police in Mysore, 1936-37; Ag. Chief Secretary to Government; Retd. as Excise Commissioner in Mysore, 1939; Director, Bank of Mysore; President, Bangalore Central Co-operative Bank; Member, Co-operative Advisory Committee.

Singlachar, N. A., Land-holder and Banker; Member, The Mandya Municipal Council—at present Vice-President of the Council; Member, Mysore Representative Assembly, 1937-40; President, Mandya Town Co-operative Society 1936-38; Director, Mandya Town Co-operative Society, 1922-41; Mandya House Building Co-operative Society, 1937-41; Mandya Land Co-operative Mortgage Society, 1938-41; Managing Director, Mandya Bank; Director, Irwin Canal Ryots' Association.

Sreenivasaiya, Y., B.A., LL.B. b. 1890. Hon. Secretary, The Central Paddy Co-operative Society; The Co-operative Federal Union, Mysore, since 1934; President, The Co-operative Staff Association; Vice-President, Housing Co-operative Society, Mysore; Secretary, The Mysore Co-operative Society, 1924-26; Secretary, Chamarajapuram Co-operative Stores, Mysore 1927-32—1933-35 and 1936-38; Member, The Governing Body, The Co-operative Institute since 1933; Managing Committees, The City Co-operative Bank; The District Central Co-operative Bank; and the Kheddar Co-operative Society; Organised a Co-operative Study Circle in Mysore and conducted Co-operative Training Classes; Secretary, The Delvey's Anglo-Sanskrit School since 1919. Address:—Advocate, Vanivilas Mohalla, Mysore.

Srinivas, S., Landlord; b. 1909; President, Mysore Transport Workers' Union 1938; Director, Devanahalli Land Co-operative Mortgage Society; Honorary Secretary, Mysore Co-operative Institute; Member, Bangalore Public Library Committee;

Bangalore S.P.C.A. Committee; Editorial Board of the *Mysore Co-operative Journal*; Standing Committee and Legislative Sub-Committee of the All-India Co-operative Institutes' Association. Address:—24, Veeranna's Gardens, Cleveland Town, Bangalore.

Srinivasa Iyengar, K. R., M.A., Dewan Bahadur, Rajasabhabhushana; b. 1871; Joined Mysore Service, as Probationary Assistant Commissioner, 1892; Deputy Commissioner, 1907; Inspector General of Police, 1917; Revenue Commissioner, 1918; Offg. Second Member of Council, 1919; Revenue Commissioner, 1920-23; Ex-officio Director of Civil Supplies, 1921; Ex-officio Muzrai Commissioner, 1922; Second Member of Council, 1923; First Member of Council, 1925; President, Board of Industries and Commerce, Stores Purchase Committee and of Local Service Examination Board; Retired November 1926; Director, Bangalore Central Co-operative Bank, 1930-31; President, Mysore Central Co-operative Land Mortgage Bank, Bangalore 1929-40; President, Mysore Silk Association; Chairman, Board of Directors, Mysore Spun Silk Mills. Address:—Chamarajpet, Bangalore City.

Venkatakrishnaiah, S., B.A., B.L., b. 1871; Entered judicial department 1905; District Judge, Mysore; Retired, 1928; President, Mysore Provincial Co-operative Apex Bank; The Mysore Co-operative Institute 1928-39; Director, Mysore Central Co-operative Land Mortgage Bank, 1929-39; Sriman Madhava Siddantha Abhivridhikarini Bank, 1929-39; Secretary, The Bangalore Public Library, 1923-25. Address: Basavanagudi, Bangalore City.

Venkatesaiya, S., B.A., B.L., Honorary Organiser, The Co-operative Movement in the Hasan District; Promoter, The Mysore Provincial Co-operative Apex Bank; Director for several years; Awarded Gold Medal for Co-operation 1927. Address:—Advocate, Hassan.

TRAVANCORE

Boothalingam Pillai, N., Nagercoil; Assistant Secretary, Peoples' Co-operative Bank for some years; later elected Secretary of the Bank; Member, Committee of the local Co-operative Union.

Gopalakrishnan, K.G., Chertala; Organised the Chertala Co-operative Union and the Taluk Co-operative Bank, 1925; Served both the Institutions either as President or Secretary for several years; Member, Executive Committee, The Travancore Co-operative Institute for several years and now its Vice-President; Joint Editor, The *Travancore Co-operative Journal*.

Govinda Pillai, M.K., B.A., B.L., Retired Professor and Principal of the Trivandrum Law College; Director, The Trivandrum Central Co-operative Bank; Was its Vice-President for 6 years and now President.

Joseph, C.M., Changanaserry; Organised the first Co-operative Urban Bank in the State; Was appointed Hony. Organiser of Co-operative Societies, 1924.

Joseph, J.M., B.A., L.T., Headmaster, Scott Christian High School Nagercoil; One of the founders of the Nagercoil Christian Co-operative Society, 1920; Member of its Committee for two years; Secretary for 8 years and President for two years; President, Nagercoil Co-operative Union for 15 years since 1924; Vice-President and President, The Nagercoil Peoples' Co-operative Bank for over 6 years; President, The Nagercoil London Mission Employees' Co-operative Society; Member, The Reformed Legislative Assembly, 1933 to 1937.

Kesavan, K., Secretary, Mundakkal Village Society, 1920 and later its President; Secretary, Supervising Union, Quilon Taluk, 1923; Taluk Bank, Quilon for 10 years since 1926; Was appointed Hony. Organiser, 1926; Member, Executive Committee, The Travancore Co-operative Institute for over 12 years; Board of Management, The Central Co-operative Bank for over 10 years.

Kuruville, K.K., M.A., B.D., M.L.C.; Headmaster M.T. Seminary, Kottayam; Member, Devadhar Co-operative Enquiry Committee; President, Kottayam Banking Union; Member, Legislative Council; Economic Development Board.

Manuel S., Secretary, Y.M.C.A., Rural Reconstruction Centre, Marthandam; One of the earliest non-official Co-operators in the State; Was appointed, Hony. Organiser, 1921; Organised the Marthandam Poultry Keepers' Co-operative Society.

Narasimha Iyer, P.S., Manager, Paper Mills, Punaloor; Organised the first Factory Employees' Co-operative Society at Punaloor; Was appointed Hony. Organiser, 1924.

Narayana Iyer, K.R., B.A., M.Sc., F.C.S.; Director of Agriculture and Registrar of Co-operative Societies. Member, Board of Management, The Travancore Co-operative Institute, 1940; Elected President of the Institute.

Narayana Menon, M.N.; President, The Kottayam Union organised by him; Member, Board of Management, The Central Co-operative Bank; The Travancore Co-operative Institute for several years; Was Secretary of the Institute and Editor of the Journal for a term; Was appointed Hony. Organiser, 1923; Member, The Devadhar Enquiry Committee; An earnest social worker.

Narayanan Nambiar, T.R., B.A., B.L., Padmanabhapuram; Secretary, Kalkulam Taluk Co-operative Bank for 9 years since 1926; Secretary Kalkulam-Vailavankode Union for 12 years; President, Padmanabhapuram Urban Bank for 6 years; President, the Kalkulam Co-operative Purchase and Sale Society for 3 years.

Narayanan Pandalay, K., B.A., B.L., Rao Bahadur; Was Chief Secretary to the Government; After retirement, served as Private Secretary and Sarvadhikari to H.H. the Maha Rani Regent for over 5 years; President, Trivandrum Central Co-operative Bank for 9 years till 1941; President, The Travancore Co-operative Humanitarian Society; President, The Discharged Prisoners' Aid Society; President, The Travancore State Committee and the Kerala Provincial Hindi Prachar Sabha.

Narayana Pillai, K.R., Nedumangad; President, Co-operative Union, Nedumangad for 7 years; Was appointed Hony. Organiser, 1924; Member, Board of Management, The Central Co-operative Bank; Member, Governing Body, The Travancore Co-operative Institute; Member, Editorial Committee, *The Travancore Co-operative Journal*; Manager, The Travancore Co-operative Institute.

Padmanabha Rao, T., F.R.S.A., (London); Rao Sahib, Udara Siromani; b. 1864; Private Secretary to the Dewan of Travancore, 1890; Director of Registration; Excise Commissioner for some years; Anchel Superintendent, 1911; Retired from service, 1919 and joined the movement; Vice-President, The Trivandrum Central Co-operative Bank and later its President for 9 years till 1930; President, The Trivandrum Urban Bank; President, The Travancore Co-operative Insurance Society; Vice-Chairman, The Devadhar Committee on Co-operation; Has instituted a gold medal for an annual Co-operative Essay Competition; The Trivandrum Central Co-operative Bank has organised a Co-operative Library in his honour; Director, The State Land Mortgage Bank; Director, Sri Chitra Home for the Destitute and Infirm.

Parameswaran Pillai, G., B.A., B.L., Rajyaseva Praveena; Member, Legislative Assembly for three terms; Additional Sessions Judge and later Judge of the High Court; Head of the Political Department in charge of All-India Federation etc.; Chief Secretary to Government; Hony. Secretary, The Trivandrum Central Co-operative Bank; President, The All Travancore Co-operative Union (the present Institute), 1925.

Paramu Pillay, P., B.A., B.L., President, The Karunagapally Co-operative Union since 1929; Organised two "All Travancore Exhibitions" in 1937 and 1939 at Ochira; Secretary, The Travancore Co-operative Institute since 1938; Editor, *The Travancore Co-operative Journal*.

Ramachandra Rao, M., B.A., B.L., Served as Commissioner of Devikulam Division, Peishkar and District Magistrate, Police Commissioner and Land Revenue and Income Tax Commissioner; was in charge of Co-operative Department also for some time; Organised about 50 multipurpose societies controlled by Pattadars.

Ramakrishna Iyer, S., Prof., M.A., Retired Professor of Physics, Science College, Trivandrum; Vice-President, The Travancore University Co-operative Stores for 8 years; President, Brahmanajana Co-operative Society.

Ramakrishna Pillai, N.P., B.A., B.L., Trivandrum; Hony. Secretary and Treasurer, The Trivandrum Co-operative Urban Bank since 1932; Hony. Secretary, The Travancore Co-operative Insurance Society for some time; Member, Board of Management, The Trivandrum Co-operative Distributive Society; Member, The Premier Distributive Society; Member, The Managing Committee, Trivandrum Co-operative Home; Member, Trivandrum Municipal Corporation.

Ramankunju, C., M.L.A., Codiveetil, Alleppy; Member, Legislative Assembly representing backward communities; Organised Co-operative Societies for the fishermen in Travancore and the first Co-operative Conference of the fisherfolk;

Member, The old Sri Mulam Assembly, and later, Member, Legislative Council; Was appointed Hony. Organiser, 1923.

Raman Pillai, K.A., B.A., B.L., Trivandrum; Hony. Secretary and Treasurer, The Trivandrum Central Co-operative Bank, 1940.

Subramania Iyer, E., M.A., M.L., Principal, Law College, Trivandrum and Franchise Commissioner for about 4 years; Vice-President, The Trivandrum Central Co-operative Bank for 5 years since 1930; An authority on Co-operative Law and Practice.

Vasudevan Pillai, R., President, The Neyyattinkara Taluk Co-operative Bank for 14 years since 1925; Hony. Organiser of Co-operative Societies.

Velayudhan Pillai, K., President, The Putheri Co-operative Society, organised in 1918; Organised a Primary Society at Neyyoor and the Peoples' Co-operative Bank at Nagercoil, 1922; Secretary, Co-operative Union, Nagercoil; Hony. Secretary, The All Travancore Co-operative Union (the present Institute) for 9 years since 1924 and its Vice-President for two years; Hony. Editor, The *Travancore Co-operative Journal* for 7 years; Edited 3 volumes of the *Travancore Economic Journal*; Organised 3 Taluk Banks in 1925; Was appointed Hony. Organiser over the whole State, 1925; Organised 2 non-credit societies 1926; Convener of the Committee appointed to draft a scheme for organising a Land Mortgage Bank in Travancore, 1926; President of the Supervising Unions for the Taluks of Kalkulam and Vilavomkode for two years since 1926; Member, Executive Committee, The Trivandrum Central Co-operative Bank, 1927 and its Hony. Secretary and Treasurer for 8 years from 1928; Organised the Trivandrum Co-operative Home, 1931; President, Sri Ramakrishna Mission; President, Kerala Hindu Mission; President, Hyndava Sevak Sangh, Neyyoor; An independent social worker and prominent Co-operator in the State.

Vydyalingam Pillai, R., B.A., B.L., Registrar of Co-operative Societies, 1921-31; was appointed Dewan Peishkar and District Magistrate, 1932; Member, Devadhar Co-operative Enquiry Committee; Member, Board of Management, The Travancore Co-operative Insurance Society; Member, The Teachers' Benefit Fund; The Trivandrum Urban Co-operative Bank; President, The Trivandrum Distributive Co-operative Society; President the Premier Co-operative Store.

*"Not gold, but only men, can make
A people great and strong....
Men, who for truth and honour's sake
Stand fast and suffer long.*

*Brave men who work while others sleep
Who dare while others fly....
They build a nation's pillars deep
And lift them to the sky."*

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THE INDIAN CO-OPERATIVE REVIEW

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No. 2

EDITORIAL NOTES

PLACE OF CO-OPERATIVE ORGANISATION IN THE WAR AND POST-WAR ECONOMY

We have received a communication from Mr. M. Colombain, Chief of the Co-operation Service, International Labour Office, Montreal, intimating that the International Labour Office is starting an "enquiry for the purpose of defining the place of co-operative organisations in the war and post-war economy." This enquiry is undertaken in pursuance of a resolution on post-war emergency and reconstruction measures adopted by the Conference of the International Labour Organisation held in New York and Washington in October-November, 1941. We publish elsewhere in this issue the letter addressed by Mr. Colombain, to us in our capacity as President of the All-India Co-operative Institutes' Association and the questionnaire issued in connection with that enquiry. A circular letter by Mr. Colombain briefly setting out the object, nature and scope of the enquiry is also sent along with the questionnaire. It will be seen that the questionnaire is a comprehensive one and gives us a fairly clear idea of the plan of the enquiry. In substance, it is an outline of the problems falling within the scope of the enquiry. It is arranged under the three following heads: I. Co-operative Organisation in General, II. Co-operative Organisations and War Economy, and III. Co-operation and Post-War Problems.

In view of the importance and potentialities of Co-operation among the "agencies whose present activities in the social and economic field affect the conditions under which post-war programmes may be carried out," the value of this investigation, particularly at this juncture cannot be exaggerated. Post-war reconstruction which is merely another name for the creation of a new World Order, involves much more than economic reconstruction. As we have often said in the past, India is now determined to become free and play her proper role in the future world economy and in the establishment of the universally desired new World Order and nothing can stand in her way of achieving the aim,

The Atlantic Charter, whether it is ultimately made applicable to India or not in the scheme of post-war reconstruction, sets out the aims of that reconstruction in words of universal applicability. The dominating purpose of that scheme in the economic sphere is the expansion of "production, employment and the exchange and consumption of goods". The issues of "peace, order, freedom, social welfare and collective security" are put in a new setting in the Charter. India must and will have her say in any campaign for the attainment of the aims and objects of that Charter. We must further emphasise the fact that India has her own special problems which should be approached from the stand-point of the peculiar circumstances and needs of India. If, for instance, there should be "managed free trade and managed currency and exchange" in the new World Order, they should be "managed", so far as India is concerned, by her in her own interest and not by others who profess or assert to have a right to "manage" her affairs for her. Again, unlike the case of many other countries, rural India will occupy a very large portion of the picture of post-war reconstruction. One of the main aims of post-war reconstruction in India is to make her 700,000 villages more self-sufficient, redress the balance between the country and the town and so co-ordinate rural economy with urban economy that the town and the village may together produce all that India wants, eliminating to the utmost extent possible her dependence on foreign sources for the supply of her needs. In this process of reconstruction, co-operators of India will stand shoulder to shoulder with co-operators of other free countries for the creation of better and more equal opportunities in life to all sections in the community and more equitable and rational distribution of wealth, commodities and goods produced, on a co-operative plan. So, Indian co-operators must feel glad to avail themselves of this opportunity afforded to them by the International Labour Office to have their say in the enquiry whose aim is so closely associated with post-war reconstruction.

In fact, we have already appealed to some of our readers and contributors to send us accounts of reactions of the war on the rural and urban economy in their province or State and offered to open the pages of the Review to contributions on the subject. Some valuable contributions have already been received and published in these pages on the part that is played by some types of producers' and consumers' organisations and in this issue we publish an article on the "Effects of War on the Rural and Urban Economy in the Punjab." We hope that our invitation for contributions on the subject will evoke greater response in the coming months. Some aspects of the problems involved in the questionnaire, particularly those falling under the first head, namely, Co-operative

Organisation in general, have been discussed by the contributors to the *Year Book and Directory of Indian Co-operation*, 1942, just published by the two All-India Co-operative Associations. We hope that the International Labour Office will find the publication useful in connection with this enquiry. There are, however, many aspects of the problems, particularly those falling under the second and the third heads, which are not covered by the *Year Book*. On these and allied problems, so far as they are included in the plan of enquiry started by the International Labour Office, we shall be glad to receive from our readers notes or articles.

In this connection we, however, wish to point out that the questionnaire framed by the International Labour Office naturally deals largely with problems confronting co-operative organisations engaged in production and distribution. So the questionnaire does not fully cover some of the problems with which co-operative organisations in India are peculiarly concerned, such as co-operative credit and co-operative marketing of agricultural products of members of rural societies. We, however, presume that the International Labour Office will be glad to receive and consider the views of co-operative institutions and individual co-operators in India on aspects of co-operative organisations in which India is particularly interested, though they are not explicitly covered by the questionnaire. It may perhaps also not be out of place for the Indian co-operators to express their views on the question how far and in what directions the Co-operative Law in India has to be recast in order to make co-operative organisations real live factors in the scheme of post-war reorganisation of our national economy.

THE FIFTH ALL-INDIA CO-OPERATIVE CONFERENCE

The fifth joint session of the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association met at Nagpur on the 4th and 5th April, 1942. Besides delegates representing the two Associations, prominent non-official co-operators and Registrars of Co-operative Societies of some provinces and states were among those who were present. The opening session was held on the morning of the 4th April at 8 a.m. at the premises of the Central Provinces and Berar Provincial Co-operative Bank. The Co-operators of Nagpur were the hosts and Sir M. G. Deshpande, K.B.E., the Chairman of the C.P. and Berar Provincial Co-operative Bank, as the Chairman of the Reception Committee welcomed the delegates. In the absence of the Hon'ble Mr. V. Ramadas Pantulu, president-elect of the Conference, on grounds of health, Dewan Bahadur K. V. Brahma, C.I.E., M.B.E., presided over the Conference and read the address of the Hon'ble Mr. Ramadas

Pantulu. The addresses of Sir M. G. Deshpande and the Hon'ble Mr. Pantulu are printed in the proceedings which are published elsewhere.

As may be naturally expected, the economic situation created by the war has forced itself on the attention of the Conference. The Conference while placing on record its solemn belief that the present world struggle was mainly due to mal-adjustment of distribution, expressed its fervent hope that the new world order would be based upon dominant co-operative ideal of just distribution. The Conference also drew the attention of the people of India to the severe economic distress caused by the war and aggravated by the dislocation of transport and urged upon the co-operative organisations to take adequate steps (1) to promote an increase in the acreage of food and fodder crops (2) to arrange for the adequate stock and supply of food-stuffs and other necessities of life and (3) to stimulate the production of finished goods on cottage industry basis in rural areas. The Conference also urged on the Government the need to give preference to the products of industrial, marketing and other co-operative societies while placing orders for war and other requirements. The Conference drew pointed attention to the distress caused to the poor and middle classes by the steep rise in price of cloth and suggested among the measures for the relief of the poor, state aid and initiative to increase the production of cloth in the country and the formation of co-operative societies of hand-spinners and weavers.

One of the interesting questions discussed at the Conference related to the assessment of bad and doubtful debts and their being shown in their balance-sheets by the central and Provincial co-operative banks. It is one of the difficult problems connected with co-operative banking that has so far baffled a satisfactory solution. It is the experience of most of those who are intimately associated with the day to day working of the co-operative banks that debts once considered bad or doubtful proved easily realisable later while some debts classed as good proved ultimately irrecoverable. While there are advantages in the creditors and depositors of a co-operative bank knowing its real financial position as revealed by estimates of bad and doubtful debts exhibited in the balance-sheet, the bank is likely to be seriously prejudiced by unreliable or hasty estimates. There are only two agencies to assess the bad and doubtful debts, namely, the bank itself and the auditor who audits its accounts. We think that of the two the bank, if well-managed and has a competent executive staff, is in a better position to form fairly correct estimates. The auditor will of course verify the estimates and pass his own remarks.

We feel that even more important than the assessment of bad debts is the question of creating adequate reserves for bad and doubtful debts and the mode of investing such reserves. The power of the Registrar to fix the divisible net profits and to restrict the dividends payable to shareholders from the profits is now utilised to increase the proportion of the surplus of income over expenditure which is to be carried into statutory and special funds, such as reserves for bad and doubtful debts. This is a sound policy. It ought to re-assure the creditors and depositors of co-operative banks. But the soundness of the reserve and its availability to depositors when a necessity arises will depend upon how and where these reserves are invested. There is no uniform practice in regard to this in India. We hope that the Standing Committees of the two All-India Co-operative Associations will evolve a suitable plan for the whole of India, to be applied with such modifications as local conditions may justify or call for.

We are glad to note that the Conference emphatically condemned the unco-operative and reactionary proposal to provide for separate representation, on the Boards of Directors of co-operative banks, of depositors as such an innovation which even Joint Stock Banks have not thought fit to adopt. The Conference reiterated once more its views on the scheme of the Reserve Bank of India Act in relation to agricultural finance and the need to amend the provisions of section 17 of the Act and recommended that a special credit system should be evolved for the financing of agricultural societies on lines suited to the requirements of the country, keeping particularly in mind the need of lowering the rate of interest for the agriculturist borrowers.

Among the other important resolutions passed by the Conference, we may mention those relating to Co-operative Education; the active association of women with the activities of the Co-operative Movement, particularly in the sphere of home industries, thrift, better living and rural reconstruction: and the need to improve and expedite the publication of statistical information relating to the movement.

The Conference, while thanking the General Editor for his able editorship of the *Year-Book and Directory of Indian Co-operation 1942* voted a grant of Rs. 1,000 by the Indian Provincial Co-operative Banks' Association towards the cost of publication, particularly in view of the rise in cost of paper and printing. The Conference resolved to continue the publication of the *Indian Co-operative Review* and the grant of a subsidy for the purpose by the Indian Provincial Co-operative Banks' Association. Fresh election* of Office-bearers of both the Associations was held.

*Vide pages 60 and 61 of Supplement to this issue.

CO-OPERATIVE EDUCATION AND PROPAGANDA

ROLE OF THE INSTITUTES

Education and propaganda are the main functions of co-operative "Institutes" or "Unions" or "Federations" as they are called in some provinces. It is true that functions like supervision and audit are also vested in them in one or two provinces, but speaking of India as a whole their primary functions are education and propaganda. The schemes in action in the several provinces and states in regard to co-operative education and propaganda are detailed in the *Year-Book* and *Directory of Indian Co-operation*, 1942, and a comparative study of those schemes is well worth the trouble taken over it by co-operators. Generally speaking, co-operative education and training are in the hands of departments of co-operation though, in some cases for certain purposes, the services of non-official organisations are utilised. The Punjab certainly leads in the matter of co-operative education and training, to which considerable attention seems to have been paid for a long time by a succession of eminent Registrars, who realised the value of education as the very foundation of a sound co-operative movement. But even there the true ideals and aims of co-operative education are not yet fully realised. The position is much less satisfactory in other provinces.

The Government of India grant for co-operative education with the aid of which certain schemes of co-operative education and training by non-official agencies were inaugurated in several provinces has now ceased and the reactions of the drying up of that source of income are already being felt. The ex-Registrar of Madras in his last administration report for the year 1940-41 after pronouncing his opinion that the schemes now in operation for co-operative education and training partly through non-official agencies, though under strict departmental control, have failed of their purpose, proceeded to say "On the whole, the other agency, namely, the *Educational Inspectors of the department*, appeared to be the most effective. The recent conference of the Deputy Registrars was also of the opinion that, when the Government of India grant for co-operative education was withdrawn, the first two schemes might be discontinued as not having produced adequate results, and that the Educational Inspectors might be permanently retained. I shall shortly be approaching Government in this matter, which is of vital concern to the future of the movement in this Province." We do not know whether the ex-Registrar actually approached the Provincial Government with this retrograde proposal, if so with what result. Our contemporary, the *Madras Journal of Co-operation*, has the following observations to make on this proposal. "We had occasion to point out that the idea of one

Educational Inspector of the Department visiting a number of societies in turn and holding classes cannot be satisfactory as the Registrar claimed in his administration report. It lacks continuity, permanence and purposeful vigour and as such its effects will not be tangible at all. It will only be one of the departmental activities, wooden, leaving no impress. Moreover, the department was never meant to act as an educator. By the nature of its constitution it is unfit to play that role." We entirely agree with this view.

Indeed the ex-Registrar of Madras seemed to entertain views very different from those of co-operators all the world over including India, in regard to the role of co-operative education. He pours ridicule over what he calls "evangelistic *propaganda*". Evidently he thinks that a co-operative credit society is a shop for lending money at reasonable rates of interest and that a consumers' store is merely a place for vending provisions in retail, with a pinch of commonsense thrown in. He says "If the movement is stripped of all verbiage, and if people realize that co-operation, like other forms of business, must follow sound methods and principles, much of the harm that is being done now will disappear. There will then be no need for all the evangelistic 'propaganda' which is such a feature to-day, and the energy wasted in it will be diverted to a serious attempt to get down to real work." It is, therefore, no wonder that he proposed to scrap all non-official agencies engaged in the field of co-operative education and propaganda and replace them by departmental Educational Inspectors.

In Bombay, the Government who recently issued orders on the re-organisation of the Bombay Provincial Co-operative Institute, defined its functions in regard to co-operative education and propaganda among other activities. The function of education is entrusted to an "Education Committee" of the Institute whose activities are closely supervised, controlled and regulated by what is called the "Provincial Board of Supervision" which consists of three members—the Registrar of Co-operative Societies (Chairman-ex-officio) and two members nominated by the Government from time to time. A cursory perusal of the scheme will disclose how closely, if not almost entirely, co-operative education is controlled by the department. It is difficult to see what scope is left for initiative, enterprise, direction or control of the movement in general and education in particular by the Co-operative Institute and allied non-official agencies. We await with interest the reactions of non-official co-operators in Bombay to this new scheme.

On the whole, it looks to us that the future of the role which co-operative institutes may be permitted to play in the field of co-operative

education and propaganda is very gloomy, if the outlook of the departments and Provincial Governments in other provinces is the same as that in Madras and Bombay. Yet every body, official and non-official, holds up the shibboleth that the success of co-operative movement depends entirely upon the spread of co-operative education. But in action this all important function is sought to be vested, in a daily increasing measure, in the official agencies who are responsible mostly for the administration of the departments. We feel the time has now come for the complete dissociation of the co-operative departments and the official agency from co-operative education. It is not our intention to minimise the value of educational work done in the early stages of the movement by the Departments of Co-operation. It had its use then, but it has outlived its usefulness, for the movement has reached a stage of development when a completely new orientation should be given to co-operative education. The Departments of Co-operation are not now in a position to shoulder the responsibility of educating the people in co-operation, if the aim of co-operative education is to train men and women "to take part in industrial and social reforms and social life generally, as well as to form co-operative character and opinion." Compare the views of the ex-Registrar of Madras with the following observations to be found in the report of the Committee on Adult Education in England. *"Co-operative education is as old as the Co-operative Movement itself the connection between co-operative trading and co-operative education being not accidental but essential. Co-operators were, in fact, the only working-class body which continuously and persistently stood for humane education as an essential element in the social aims of democracy". We hope that the All-India Co-operative Institutes' Association will take up in right earnest the question of reform and reorganisation of co-operative institutes in India with a view to enable them to fulfil their proper role in the movement, namely, education of the people in co-operation for co-operation, so that such education might, in the words of Lord Stamp, fulfil its three-fold purpose "to get a living, to live a life, to mould a world. education is first for vocation, second for leisure and character and third for citizenship."

CO-OPERATION AND THE RESERVE BANK OF INDIA

The report of the Central Board of Directors of the Reserve Bank of India for the year ended with 30th June 1942, prepared and presented to the share-holders in accordance with section 14 of the Reserve Bank of India Act, 1934, is an interesting document. The observations con-

*Page 37, *Co-operative Review*, Manchester, No. 2, Vol. XVI.

tained therein in regard to the international economic situation, situation in India, money market, Indian securities market and commodity prices, we are sure, will interest not only bankers but co-operators as well. The portion of the report dealing with the Agricultural Credit Department of the Bank is of special interest to co-operators. It says that the department is keeping itself in touch with the various matters pertaining to the co-operative movement, debt legislation, rural reconstruction and land mortgage banking. It is stated that a 'Review of the Co-operative Movement in India' on the lines of the one published in December 1941 for the year 1939-40 will be an annual feature hereafter. The Agricultural Credit Department has also taken over from the Director-General of Commercial Intelligence and Statistics the publication of Statistical Statements relating to the Co-operative Movement in India. Reference has also been made to the modified scheme of remittance facilities to the Co-operative Movement, which was brought into operation with effect from 1st September 1941. It is stated that the Provincial Co-operative Banks of Bombay, Madras, Sind, the Punjab and the Ajmer Central Co-operative Bank have so far availed themselves of the modified scheme accepting the condition laid down by the Reserve Bank.* Reference is also made to a scheme for extending financial accommodation to the co-operative central banks through Provincial Co-operative Banks for the purpose of financing seasonal agricultural operations or the marketing of crops at special rates. The scheme was issued on the 2nd January 1942. Under this scheme it is proposed to grant a rebate up to one per cent to Provincial Co-operative Banks, rediscounting agricultural bills with the Reserve Bank, provided the benefit of the rebate is passed on to the agriculturists. The Reserve Bank is working out details of the scheme.

But as we have pointed out on several occasions previously, the provisions of section 17 of the Reserve Bank of India Act dealing with agricultural finance are such as cannot be availed of by co-operative banks to any appreciable extent by reason of the interpretation placed upon the words documents of title to goods and bills with fixed maturity. In other words, the Reserve Bank wants the co-operative banks to present licensed ware-house receipts and usance bills for deriving accommodation. These are yet to be created. We hope that the co-operative banks in India will make every endeavour to bring into use such documents wherever possible. But it will take a long time for the Provincial Co-operative Banks to be able to offer to the Reserve Bank for rediscounting such paper of their constituent societies and the reform perhaps

*See *Indian Co-operative Review*, Vol. VII, No. 4, p. 622, for the scheme.

involves radical changes in our methods of banking. But in the meantime we wish to urge on the Government of India and the Reserve Bank the need to so amend the Reserve Bank of India Act as to permit business with Provincial Co-operative Banks against co-operative paper of the kind now in existence, subject to standards of safety and soundness laid down by the Reserve Bank. In this connection we desire to draw the attention of readers to the resolutions* passed by the two All-India Co-operative Associations on this matter at more than one session of their sittings.

In presenting the report of the Central Board to the meeting of the share-holders, Sir James Taylor made some interesting observations in regard to certain topics of current interest. One of them was in regard to rise in prices. He expressed the view that the rise was not due to any increase of currency. The fact, however, remains that the price control measures adopted by the Government of India have not been a success in arresting the sharp rise in the cost of living. A comparison of the cost of living index in certain cities in India with that for other countries affected by war economy will bear this out. For instance, while the cost of living index for the city of Bombay between August 1939 and January 1942 rose by 32 points, British index showed a rise of 27 points, the American by 10 points, and the Canadian by 12 points in the same period. There has been a similar rise in the wholesale prices also. For instance, the index number of wholesale prices for Madras City for July 1942 works out to 197, eleven points higher than that of the previous month. Sir James stated that both the rise in prices and the expansion of the currency were "the unavoidable result of the large purchases of goods and services made by the British Government in India." He is perhaps right to a large extent. But, at the same time, it cannot be denied that the success of the price control policy will *inter alia* largely depend upon the ability of the State to co-ordinate effective planning for expansion of production with a sound policy of price-fixing, having due regard to the interests of the producing and the consuming masses, besides improving the efficiency of the mechanism for transport and distribution to meet the additional strain imposed by the exigencies of war. Has India done all she could in these respects?

*The latest resolution on the subject was passed at the Joint Session of the two All-India Co-operative Associations held at Nagpur on the 4th and 5th April 1942, and is published elsewhere in this issue in the proceedings of the Conference.

JUST SETTLEMENT OF INDIAN PROBLEMS

MESSAGE FROM INTERNATIONAL CO-OPERATIVE ALLIANCE

We are glad to publish the following cablegram which we have just received from Mr. R. A. Palmer, Vice-President and Miss G. F. Polley, Administrative Secretary of the International Co-operative Alliance, London.

*Alliance congratulates you upon excellent Year-Book 1942. Earnestly hopes complete restoration your health. Congratulates *Triplicane Society upon remarkable manifestation co-operative efficiency in national emergency. Wishes just settlement Indian Problems and Better Opportunities Co-operative Development.*

We welcome this message of good-will from the British leaders of International Co-operative Movement envisaging a just settlement of the Indian Problems as part of the New Order. We repeat our assurance to the British co-operators and co-operators of the other United Nations that in this terrible conflict between the Democracies and the Totalitarian Dictators the interests of India lie in the triumph of the former and that the Indian co-operators cordially wish success to the Allies—the gallant fighters who are staking their all to defeat aggression and vouchsafe freedom to the world. At the same time, we once more exhort our comrades in co-operative service in the Democracies to unflinchingly advocate India's claims for her rightful place among the free nations of the world when the time comes for implementing the new world order in the wake of a lasting peace based on political, social and economic justice to all nations to which the International Co-operative Alliance stands pledged. On behalf of the Indian Co-operative Movement we pay our humble homage to the magnificent services rendered by the British Co-operative Movement by holding aloft steadfastly the International Co-operative Flag even in these trying days.

*The Triplicane Urban Co-operative Society the well-known consumers' society of Madras,

WAR AND OUR FOOD PROBLEM

By

THE EDITOR

The inadequacy of the food crops grown in the country for normal internal consumption and for meeting the military requirements in order to promote war effort has naturally been engaging the attention of the Central as well as the Provincial and State Governments in India since the out-break of the war. But, till the imports of rice from Burma and Siam and wheat from Australia have been practically cut out and the difficulties of transport of food grains from surplus to deficit regions in this country itself have assumed an acute form, people hardly realised the gravity of the situation and the magnitude of the danger with which they were likely to be faced. There is no doubt that the Central and the Provincial and State Governments are earnest in their endeavours to increase the production of food crops, but the actual methods advocated or adopted have not so far been such as to enthuse people over the 'Grow More Food' programmes. In countries like Great Britain, America and Russia which are now bearing the brunt of the war, appropriate organisations with the help of the State and constant guidance of experts have been set up almost immediately after the war broke out. In Great Britain for instance 'Ploughing Up' campaign in order to bring under plough as much additional land as possible to explore the possibilities of available total food resources was entrusted to County War Executive Committees. Similar organisations, started by the State, function in other western countries involved in the war. But in India 'Grow More Food' campaign is being carried on by officers of various departments, who, except those of the Agricultural Department, are purely laymen in the field and not even half so well informed in the science and art of agriculture as the ordinary village cultivator. Some of the suggestions like plough up the grass land in the compounds of Collectors' and Sub-Divisional Officers' Bungalows and *Porambokes* in railway station yards etc., almost verge on the ridiculous. There was no antecedent soil examination or survey of the nature of such waste lands and no one has been sufficiently trained to advise the would-be growers of more food as to what crops they should plant on which of these newly discovered culturable waste lands. Tax concessions announced by some Provincial and State Governments with

regard to single crop lands converted into double crop lands with the aid of Government water, remission of revenue on cultivation of unoccupied *Poramboke* lands, river-beds and the like, afford, no doubt, better indications of the earnestness of the Governments to encourage growth of more food crops; but they are wholly inadequate to meet the situation. These concessions are at best halting and the cultivator possessing necessary enthusiasm, who brings new land under plough is not assured how long he will be able to enjoy these concessions and remissions. Moreover, those who are competent to speak with authority on the subject are of opinion that the new land that is likely to be brought under cultivation with the aid of these concessions will be wholly inadequate to supply the probable estimated deficit, for instance, the shortage of rice by the cessation of the imports from Burma and Siam and failure of the crop in some areas. Same is the case with some other food grains. Again no expert advice is available to an enterprising agriculturist who is willing to catch up the slogan of 'Grow More Food' as to the probable cost involved in converting land under grass, for instance, into arable land or as regards the steps to be taken for conservation of the fertility of the soil which is bound to get impoverished by growing more food crops involving a depletion of the essential fertilising elements in the soil. If the 'Grow More Food' campaign is to succeed the problem must therefore be tackled in a more serious and systematic manner; both long range and short range programmes for increasing production should be carefully evolved.

Viewed from this standpoint the approach to the problem recently made by the Imperial Council of Agricultural Research is certainly more helpful. The Board of the Council drew up a skeleton scheme of co-ordinated planning of crop production so as to eliminate the surpluses of non-food crops, such as short-staple cotton, as well as deficits of food crops like rice and wheat. In this connection the Board stressed on the necessity to guard against the shortage of production of essential agricultural commodities to the extent possible. The Hon'ble Mr. N. R. Sarker, member of the Viceroy's Executive Council, gave the latest figures in regard to the estimated normal averages of principal food crops like rice, wheat, jowar-bajra and gram which between them account for about 80 per cent of the total food crops in India estimated at a normal average of about 600 lakh tons. Of this quantity the share of rice is 265 lakh tons, wheat 102 lakh tons, jowar-bajra 92 lakh tons and gram 35½ lakh tons a year. Recently estimates have also been published of the probable shortages of these food crops in several provinces and States. One such estimate is that given by Mr. F. M. De Mello, B.A., B.Sc., (Econ.), Editor, Imperial Council of Agricultural Research. Though

these figures* need not be accepted as strictly accurate, they are revealing enough to bring home to us the acuteness of the problem of food shortage. Moreover, these estimates of shortage are based on the averages of production and consumption of food grains in normal times. So in assessing the actual deficit of production for normal consumption, note must be taken of under-production in certain areas due to vicissitudes of season. For instance in regard to production of rice there was a decrease in 1941 crop by about 9 lakh tons. This figure must be added to the shortage as estimated on the basis of normal yield. So the present position is that so far as rice is concerned the shortage is round about 23 lakh tons. The position on the whole is certainly not satisfactory and calls for anxious attention.

The problem of improving India's capacity to grow food crops sufficient for her population is by no means a recent one. Various investigations have been made into the problem and all of them have yielded one result, namely, that judged either by the average yield of a cultivation unit (say an acre) or by the average quantity produced per head of the population the normal average outturn is considerably lower than similar averages for other countries. Sir M. Visveswarayya in his *Planned Economy* gave some telling statistics which are now, no doubt, about a decade old. But the position has not materially improved since.

It is not necessary to go into the causes of this low production. They have been investigated both by the Royal Commission on Agriculture

*Average shortage of rice and wheat in the deficit provinces and States:

Name of Place.	Rice (tons).	Wheat (tons).
Madras	7,78,000	..
Bombay ..	4,82,000	2,36,000
Bengal ..	64,000	2,10,000
United Provinces ..	2,05,000	..
Bihar ..	1,91,000	23,000
Orissa ..	..	5,000
N.-W.F.P. ..	6,000	1,000
Delhi ..	11,000	34,000
Hyderabad ..	75,000	2,000
Mysore ..	48,000	12,000
Rajputana ..	31,000	68,000
Central India ..	14,000	88,000

and by other experts from time to time. Nor is there any lack of an expert standing agency to advise the Governments of the Provinces and States on the question. There are costly and long established departments of Agriculture in all British provinces and in many of the important Indian States. Dr. Harold Mann, an expert on Indian Agricultural problems, recently stated the functions of an Agricultural Department in India in these words. "The first is to improve by its own effort the agriculture of the country so that the people may be able to earn more from their labours. It is bound to act as the adviser of its Government as to what can be done, from the administrative side, to make possible the increase in the productiveness. To specify problems and suggest solutions of those problems, which can only be carried out by the executive authorities of the Government is equally the necessary function of an effective Agricultural Department." Remedies have no doubt been suggested for increasing production. But they have not proved very efficacious so far, partly because the economically weak and unorganised Indian agriculturist is not able to avail himself of the benefits of research and advice and partly because of the obvious limitations there are to the adaptability, even in normal times, of solutions like investing more capital, employing more labour or improving the implements and methods of cultivation, in the peculiar conditions of rural India. It is hardly necessary to add that Indian agriculture is still a gamble in seasons, for not more than 10·7 per cent of the total area and 22·5 per cent of the total cropped area is irrigated. Some of these limitations have become aggravated by war conditions. For instance, agricultural labour has been depleted in some of the fertile districts of the Punjab which have afforded greater facilities for recruitment to the army and allied services. Anyway, the fact remains that cultivation in the 7,00,000 villages in India has been very little influenced by the researches of the Government Departments and the Agricultural Research Council, which in some cases are indeed notable and which if availed of might perhaps have produced beneficent results.

Then in regard to the available area for expanding cultivation of food crops it must be said that dependable and accurate data are not available. No systematic survey of the position has been yet made. Sir Bryce Burt, a former Vice-President of the Imperial Council of Agricultural Research, stated the position thus: * "The actual cropped area including 60 million acres of current fallows, is approximately 360 million acres. The total annual sown area, omitting fallows but including double crop-

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ping, is 340 million acres. Of the remaining area we have 170 million acres classed as culturable waste but much of this has never been under cultivation and its agricultural value is highly problematic. The area under forest is a hundred million acres. Much of this is inaccessible and only indirectly connected with agriculture. Much of it is of importance in providing grazing and fuel. But when all is said the average area per head of the rural population is strikingly small. Of the cultivated area referred to above, approximately 270 million acres are occupied by food crops; the rest by non-food or commercial crops. The distinction is not an entirely happy one, for the area under food crops naturally includes both rice and wheat which in many districts are definitely grown as cash crops for sale."

Any planning in regard to "Grow More Food Crops" must be based upon reliable data in regard to the still uncropped cultivable land which can be profitably brought under cultivation. It must be an economic proposition. Results of our investigations into the question of the nature and extent of still uncropped but culturable land vary widely from region to region; while in some regions there may be little or no land, in other regions there may be some land but there may be conditions like prevalence of malaria or scarcity of water which militate against its reclamation for cultivation. It is up to the Government and their expert advisers and research boards to prepare estimates of such lands as correctly as possible and make them available to people before they are asked vaguely to plough up more land in order to grow more food crops.

There are a few general economic aspects of the problem of agriculture which have a large bearing on the problem of improvement of agriculture and growing more food. One of them is the position of agriculture itself as an occupation in India. Speaking generally, agriculture is a deficit economy with us and the first prerequisite of any attempt at planning is to make agriculture a surplus economy. Agriculture is a mode of living and not a form of business to the Indian peasant. He is content to raise from his small holding enough to sustain himself and his family if possible. Often times he fails even in this attempt and lives on the margin of subsistence. The structure of agricultural production in India is a very peculiar one. It was not till recent times that the Indian agriculturist looked to overseas markets or even to distant internal markets for the disposal of any portion of his crop from land for profit. So he naturally still grows products which are either consumed locally or are easily sold in a neighbouring market without involving difficult or costly transport to distant markets. Agriculture in this sense is a subsistence economy. When an agriculturist is compelled to

find external markets for his surplus products he has to equate his subsistence economy with competitive economy. He is thus drawn into a competitive system for which he has neither necessary financial backing nor requisite organisation. This endeavour very often results in ruinous results to the agriculturist, whenever there is a fall either in the demand for or in the price of his surplus products in foreign markets the intricacies of which he rarely understands. Even slight currency and exchange manipulations involve catastrophic results to the Indian agriculturist. So in our future planning of the structure of agricultural production this factor of harmonising its character primarily as a subsistence economy with a competitive economy should not be lost sight of. At present schemes of agricultural production are not correlated with schemes of industrial production. The absence of balance between rural and urban economy is very pronounced and should be redressed before we expect any improvement in the economic position of the peasant or in the condition of his hereditary occupation of husbandry.

Another factor is that of internal prices. The 'Grow More Food' propaganda is curiously enough coupled with a clamour for price control and the setting up of price advisory boards. There is of course nothing necessarily inconsistent between these forms of activity. But it is always a difficult task to determine what is a fair and economic price for an agricultural product and the success of the 'Grow More Food' programme will undoubtedly depend upon so regulating the price control policy by the State as to ensure to the agriculturist a fair and economic price which will make it worth his while to invest more in order to grow more. The Provincial Governments have given assurances to the agriculturist of their intention of fixing reasonable minimum prices. But it is a very difficult and delicate task; it all depends upon how it is approached and accomplished. But one redeeming factor is that with the present shortage of many of the important food crops, lack of prospect of any large increase in the near future either in the acreage or in the yield of food grains, cessation of imports from our former suppliers like Burma and Australia and emergence of new customers like Ceylon who now want some rice and some united nations who want wheat from India, the prospect of any glut in the market leading to a steep decline in the price of food grains is unlikely. In addition to decrease in production and stoppage of imports, an increase in exports of food grains is also an important factor in our food problem. The following figures show the exports in two essential food grains like rice and wheat for the last three years.

Year.	Rice tons.	Wheat tons.
1939-40	2,64,000	76,61,000
1940-41	2,30,000	4,59,35,000
1941-42 (Upto January 1942)	2,68,000	17,61,31,000

The increase in export of our wheat synchronizes with shortage of wheat production in U.S.A. and the inability of some of the former wheat exporting countries to send out their wheat abroad.

In this endeavour to grow more food where does Co-operation come in? Can Co-operation play any part in planning agricultural production? Of course it can. But in this country neither the Governments nor their advisers who are responsible for planning have any faith in the potency of Co-operation as a factor of economic organisation. It is a pity that they ignore such fundamental facts like these; that individual effort to improve agriculture, do what we will, cannot produce effective results; that individual cultivators cannot do what organised groups of cultivators can do and that Co-operation is the best form of associated effort. There is ample evidence of this in other countries. Any attempt at even summarising briefly the co-operative efforts that are being made in other countries to increase production of food crops will be a long and arduous task. In Palestine for instance where most of the economic organisations are built up on co-operative basis, the co-operative settlement societies are among the most interesting. They are mainly organisations of Jewish immigrants in Palestine. They have made notable contribution to the solution of the problem of land ownership and utilisation. There are two main classes of these organisations: farmers' settlements the "kvutsoth" and smallholders' settlements. The "kvutsoth" are collective farms established on land of the Jewish National Fund or on land leased from the Palestine Jewish Colonisation Association. Being national property the land cannot be sold or mortgaged. These settlements help to develop co-operative villages. An account of the working of these societies recently published by the International Labour Office is well worth perusal*. At the end of 1940 there were about 200 large and small agricultural settlements with a population of 41,000. It is stated that the agricultural settlements played an important part in the process of economic readjustment necessitated by the wartime conditions and that mixed farming has been intensified and agricultural production expanded.

*Co-operative Information No. 2 of 1942.

In China also co-operation has become an integral part of national economic policy and we gather from an article which appeared in the *International Co-operative Review* for December 1941, under the caption 'Towards a Co-operative Planned Economy' that a three year plan for national co-operative development is in operation. Development of the business of societies so as to increase the percentage of co-operative purchasing, marketing and cultivation of land to over 50 per cent of the national total, the general adoption of scientific methods in agricultural and industrial co-operative production are some of the important items of the plan among others. Indeed in the Co-operative Society Law promulgated by the National Government of the Republic of China the very first purpose of business undertaking of a co-operative society is thus set out: "For the development of agriculture, to provide the members with equipment required either commonly or separately in producing, or for the joint marketing of agricultural products."*

We wish to conclude with a note of caution. Programmes for increasing acreage under food crops necessarily involve decreasing the acreage under non-food crops to meet the present peculiar emergency situation created by the war. But any such expedient should not lead to difficulties in reverting to old conditions in regard to cultivation of cotton and other commercial crops after the war. America who is naturally interested in importing her cotton into India will have a large hand in the post-war reconstruction of India. So the danger of America seeking to perpetuate conditions which may help her to find an outlet for her cotton into India after the war cannot altogether be ruled out.

Organized farmers, managing their own affairs, can deal with organized Labour in an entirely different manner than can the corporation stockholders, through hired management. Here, organization meets organization. Here the farmer who works with his own hands, can meet organized Labour that performs essential service. This meeting of minds leads to understanding fairness and justice in the end.

—Louis J. Taber.

**Rural Finance and Co-operation* by C. F. Strickland P. 443.

REPAYMENTS IN LAND MORTGAGE BANKS IN MADRAS

By

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The period of repayment of a loan depends upon two factors, viz., (1) the purpose of the loan and (2) the repaying capacity of the borrower. In Madras, it has been the practice to classify the loans into three divisions according to the period, namely, (1) Short term, (2) Medium term and (3) Long term loans. Money borrowed for current agricultural operations, family expenses and for similar purposes, and which could be repaid within an year, from the income on lands, comes under the first division. If it is for a minor improvement of land or water resources and such other purposes, which require a spreading of the amount over 2 or 3 years, it goes to the second division. Money borrowed for purchase of lands or liquidation of large prior debts is classed under the third. Though village co-operative societies were formerly granting loans up to a period of 10 years, with the advent of the land mortgage banks, their role is confined to short and medium term loans, leaving the latter to lend money for longer periods. The duration of this period ought to vary with the repaying capacity of individual members. But it has become a practice with these banks to lend money invariably for a period of 20 years, irrespective of the borrowers' repaying capacity. No doubt for some years, loans for periods below 20 years from 15 upwards were also granted, primarily with a view to find an investment for the annual instalment collections of every year. Now repaying capacity counts only in relation to the total amount of money to be lent.

On the other hand there has been an agitation for extending the period of loans to 30 years and more, but this is stoutly opposed by the authorities. If this opposition were based on the difficulty of floating debentures for such longer periods, or in the complications that might arise from the operation of the inheritance laws of the country, whereby land might be sub-divided among a large number of heirs of the deceased borrower, one could understand it. But it is maintained, by people in high authority, that the extension of the duration of a loan would increase the burden on the borrower. This is illustrated by an example. If a person borrows Rs. 1,000 at $6\frac{1}{2}$ per cent for a period of 15 years, he has to pay to the land mortgage bank annually a sum of Rs. 106-5-8 according to the equated payment system; so the total amount of money (capital and interest) paid by him during the currency of the loan is Rs. 1,595-5-0. On the other hand, if the duration of the loan were 20 years, the annual

instalment due would be Rs. 90-12-1 and he would have to pay in the aggregate as much as Rs. 1,815-1-8. Though the annual burden is lessened by about Rs. 15-8-0, by spreading the loan over a longer period, the total amount paid would exceed by about Rs. 200. If the period were still further extended the burden would increase correspondingly. This naive assertion arises from a mathematical illusion. Every year out of the instalment amount interest at the given rate is deducted and the balance goes for the repayment of the principal. With the increase in the duration of loan, the instalment amount decreases, and *ipso facto* the amount available for reducing the principal also decreases. Thus the outstanding principal at the end of each year would be greater with the extension of the period of loan. For retaining and using a larger principal the borrower has, naturally, to pay a larger amount of interest on the whole. Hence this argument of greater burden amounts to the same thing as opposing loans for higher amounts as the burden of the interest to be paid increases thereby. It is necessary to recognise that though the absolute amount of interest paid increases with the duration of the loan, the relative amount remains the same, as the rate of lending by the bank remains unaltered during the currency of the loan amortised on an equated payment system.

As most of the loans granted by the land mortgage banks were to facilitate the liquidation of prior debts without resort to the sale of lands, it was expected that most of the borrowers would pay regularly the instalment amount for the number of years stipulated. Out of this instalment collection, the interest is used to pay the debenture-holders, meet the cost of management and the balance is declared as profits to be divided in a particular manner. The principal amount is used either to redeem some debentures of the respective series to which the loans belong, or accumulated in debenture redemption or sinking funds to be paid to the debenture-holders at the expiry of the stipulated period. But for some time now the authorities are embarrassed to find that some of the loans are fully cleared before due date by advance payments. These unexpected advance payments have created the problem of how to find investments for them.

In this short paper it is proposed to consider some aspects of these repayments from the experience of the working of the Alamuru Co-operative Land Mortgage Bank, Ltd., (East Godavary District). Though it may not be safe to generalise from the experiences of a single bank, it may serve to draw the attention of the authorities to certain pointers which can be considered along with any similar experiences in other land mortgage banks.

The Alamuru Co-operative Land Mortgage Bank was started in June 1928. Table I gives the history of the loans granted each year, namely, number and amount of loans granted, those closed, those cleared completely and those outstanding.

From the last column of the table we find that nearly 75 per cent of the loans granted in 1928-29 have already been fully cleared and even of the remaining 25 per cent a good part of principal amount would have been repaid by the instalment payments. As is to be expected, the percentage of outstanding loans increases as we come towards later years. Some of the loans granted in 1928-29, 29-30, 30-31 and 32-33 had to be foreclosed by the bank itself due to the defaults of the members, whose repaying capacity was seriously curtailed by the economic depression. With the recovery in prices in subsequent years, default has become rare or nil.

The statement below gives the number and amount of loans completely repaid in different years:

Year of Repayment	Loans completely repaid	
	No.	Amount originally borrowed. Rs.
1928-29	8	9,200
29-30	2	1,650
30-31	2	3,400
31-32	9	11,760
32-33	17	18,010
33-34	21	32,000
34-35	19	23,500
35-36	18	26,985
36-37	12	20,200
37-38	20	30,800
38-39	25	36,075
39-40	32	46,130
40-41	25	30,450
41-42	6	12,000
	216	3,02,160

We find that there were heavy repayments between 1932-33 and 1940-41, the average amount repaid per year being nearly Rs. 30,000. These were the years of the trough and the recovery. People who borrowed before 1932-33 found that their repaying capacity was fast dwindling, and sold away their lands to free themselves from the burden of debt. During the worst years of the depression, only those who had large properties, and who had repaying capacity even with diminished incomes borrowed from this bank. With the recovery of prices, their

resources and repaying capacity improved and they had enough money to clear off their debts. Some others too, who were prudent, availed themselves of the rising land values and sold their lands and freed themselves from this burden of debt. Thus the trade cycle had its own effect on the repayments.

A frequency distribution of the duration of these loans gives us an idea of the expectation of the life of these loans and this is shown in table No. II.

We do not find any regularity in this distribution, and it does not exhibit any single model value. This is due to the fact that the total number of loans for each year is small for this kind of distribution and if we construct such a table for the Central Land Mortgage Bank with reference to the operations of all its affiliated primary banks, we may be able to find some regular tendencies. From such a distribution we may be able to draw a life table of the loans, just as is done in insurance companies for human lives, and such a table will be useful for purposes of forecasting expected repayments.*

We thus come across an anomalous situation in co-operative finance. Loans for periods of over 5 years were stopped in rural co-operative societies, in spite of the demands of members for such loans. This step was taken partly because it was found by experience that the investment in such loans of funds derived from short term deposits was unsafe and also because loans up to 10 years instead of facilitating repayments became largely overdue resulting in the freezing of the assets of these societies by the high rate of defaults in repayments. On the other hand, in land mortgage banks we find loans are granted all for an unvarying period of 20 years and now the banks are embarrassed by earlier repayments. It is up to co-operators to evolve a scheme which meets this situation and provides for a variety of loans. One suggestion offered was to combine in one the operations of the short and long term lending institutions. This was rejected on the ground that it would lead to financial chaos and confusion in times of crisis. The policy advocated by the Government and rigorously followed is to keep these two types of lending institutions strictly separate. There should, however, be some elasticity in fixing the periods of repayment of loans in these different institutions to suit the convenience and capacity of the different classes of borrowers.

*We think that no such regular tendencies in regard to re-payments can be found even if the table is constructed with reference to all the primary banks affiliated to the Central Land Mortgage Bank. The trends of the re-payments will vary with the physical and climatic characteristics of the region, the nature of the crops raised by the borrowers, the price levels in the local markets and other economic factors. Sampling and selection of banks on the basis of typical regions may perhaps yield better results.—Editor.

TABLE I

Year.	TOTAL		CLOSED		Cleared		CONTINUING		per cent of loans cleared.	per cent of loans closed.	BALANCE	
	No. of loans.	Amt. Rs.	No. of loans.	Amt. Rs.	No. of loans.	Amt. Rs.	No. of loans.	Amt. Rs.			No. percentage.	Amount.
1928-29	120	1,43,900	20	30,400	71	78,000	29	35,500	54.5	21.0	24.5	24.7
1929-30	61	66,100	8	10,700	29	31,500	24	23,900	47.5	16.0	36.5	36.2
1930-31	35	64,100	6	14,000	13	22,100	16	28,000	34.3	24.8	40.9	43.7
1931-32	34	63,350	—	—	13	24,600	21	38,750	38.0	NH	62.0	61.2
1932-33	37	77,535	3	5,800	16	34,585	18	37,150	44.6	8.0	47.4	47.9
1933-34	21	43,560	—	—	8	17,900	13	25,560	41.0	NH	59.0	58.9
1934-35	46	90,550	—	—	11	16,050	35	74,500	16.0	NH	72.0	82.3
1935-36	47	84,250	—	—	11	17,600	36	66,650	21.0	NH	79.0	79.1
1936-37	72	1,07,150	—	—	18	20,600	54	86,550	20.5	NH	79.5	80.8
1937-38	99	1,68,335	—	—	11	15,825	88	1,52,510	9.0	NH	91.0	90.6
1938-39	95	1,67,925	—	—	9	15,100	86	1,52,825	9.0	NH	91.0	91.0
1939-40	65	88,500	—	—	5	9,400	60	79,100	10.0	NH	99.0	89.4
1940-41	63	88,303	—	—	2	2,400	61	85,903	3.0	NH	97.0	97.3
1941-42	70	79,033	—	—	—	—	70	79,033	NH	NH	—	—
	865	13,32,591	37	60,900	217	3,05,660	611	9,66,031				

TABLE II

32	1932-'33		1933-'34		1934-'35		1935-'36		1936-'37		1937-'38		1938-'39		1939-'40		1940-'41		1941-'42		1942 to 1942		Totals.
Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount		No. of Loans
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,000	3	6,000	3	6,600	2	1,950	—	—	—	—	2	3,700	5	7,200	3	3,300	2	2,470	—	—	32	48,000	—
1,000	—	—	—	—	2	3,700	2	3,000	4	3,700	2	2,975	3	6,600	2	6,100	—	—	—	—	17	27,475	—
—	4	8,700	1	300	1	1,550	2	4,200	6	7,800	1	450	—	—	—	—	—	—	—	—	16	23,950	—
1,000	3	6,385	1	5,000	1	700	2	1,800	3	1,900	4	4,900	1	1,300	—	—	—	—	—	—	26	34,845	—
1,500	1	2,000	2	5,000	—	—	2	3,000	5	7,200	2	3,800	—	—	—	—	—	—	—	—	31	42,610	—
1,000	—	—	—	—	2	2,200	1	600	—	—	—	—	—	—	—	—	—	—	—	—	22	30,200	—
—	4	9,000	1	1,000	1	600	1	1,500	—	—	—	—	—	—	—	—	—	—	—	—	20	25,550	—
1,000	1	2,500	—	—	2	5,400	1	3,500	—	—	—	—	—	—	—	—	—	—	—	—	8	12,900	—
1,100	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	10	17,800	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13	25,000	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7	9,550	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6	5,430	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4	2,350	—
600	16	34,585	8	17,900	11	16,050	11	17,600	18	20,600	11	15,825	9	15,100	5	9,400	2	2,400	—	—	217	3,05,660	—

STRUCTURE OF PRODUCTION AND RURAL ECONOMICS IN INDIA

By

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ECONOMIC RSHYASHRNGAS !

"Such sweet voices, liquid eyes, supple frames, and curved profiles—Do these creatures belong to mankind?" exclaimed Rshyashrnga when Chanchala, the princess of Kerala, went to his *ashrama* (hermitage) with a few of her girl friends, clad as boys, in order to persuade the young sage to go to Kerala for performing a sacrifice which alone could end the famine which had lasted there for more than a decade—which sacrifice, the priests said, Rshyashrnga alone could perform on account of his great piety and chastity. Mythology tells how his father Vibhandaka saw from the boy's horoscope that great harm would beset him if he saw any woman before he attained the age of eighteen. The boy lost his mother very early, and so Vibhandaka could arrange easily for bringing up his son in an absolutely womanless hermitage in the Western Ghat forests—till at last, just before Rshyashrnga had attained his eighteen years of age, the father had to accompany his guru (religious teacher) to Badarikashrama, and the kingdom of Kerala sorely needed the services of Rshyashrnga for exterminating famine in that land.

Economics has had its Rshyashrngas too, who time and again have tried, and still are trying, to recognise categorical distinctions between 'pure agriculture' and 'pure industry' in the structure of production—even as Rshyashrnga thought that woman belonged to some other species of creation than mankind. And this, with a difference. Rshyashrnga became wiser after he married Chanchala, but many an economist has continued to maintain that agriculture and industry are inherently different and that agriculture is old-fashioned production, a back number. Mythology has it that Rshyashrnga is a *chiranjivi* (immortal): one has got very good grounds to fear that the long-laboured distinction between agriculture and industry is trying hard to become immortal under self-deceiving capitalist auspices. We may illustrate our point by

1. Sir M. Visvesvaraya very recently said: "Nations are prosperous or the reverse according to the degree of attention they give to occupations connected with industries and commerce. In India, however, whenever attention is drawn to production, prominence is given to the products of agriculture, and industries are relegated to the background. This is opposed to the policies and practices pursued in Western countries and in Japan, and is the chief cause of the low productive power and poverty of India."
2. "‘Pure agriculture’ connotes those activities of man which gainfully harness the solar heat, the soil constituents and the precipitation to produce vegetable materials, whereas the concept of ‘pure industry’ involves that part of human activity which is directed to the utilisation of sub-soil resources and inanimate energy against the vegetable and animal materials to turn out finished products." (*Indian Journal of Economics*, Vol. XXII page 191).
3. "The entire economic structure is like an arena where a colossal conflict between a farm and a factory, country and city, ruralism and urbanism is being continuously fought out." (*Indian Journal of Economics*, Vol. XXII page 191).

To-day when goods and services worth more than sixty crores of rupees are being absolutely destroyed every day 'in order to end all war', when in this calculation no one halts to attach *any* value to the millions of human lives being lost, when an era of famine and disease has dawned in Europe—only to spread over the entire world soon, when numerous 'consultative committees', 'industrial research boards' and 'controllers' of industrial products' are feverishly pushing through many a scheme for large-scale industries, and supply boards are pushing through to the different fronts, mammoth quantities of food-stuffs with little thought for the golden goose—at this time when students of Economics are beginning to doubt whether Economics plays any part at all in man's life (leave alone trying to justify that Economics is a science of wealth or even a study of scarcity) or whether it is mere child's play given up as soon as more serious things are taken to by man—at a time like this, in China as in India, in the U.S.A., as in Britain, few seem to be gauging the situation clearly. Few appear to point out to the distracted world that the imaginary distinctions persisted in and plans recommended thereon are fallacious, involving greater dangers than the two great wars we have lived to see. The very schemes of war production now being hatched may

ensure a third, perhaps an all-consuming war. Let us examine some aspects of this fatalistic fallacy.

THE BOGLE OF INCREASING COST.

"In agriculture, the law of diminishing returns applies with full effect. In manufactures, the effect of that law is often counter-balanced by the law of increasing returns," said Dr. P. N. Banerji, one of the pioneer writers on Indian Economics.

"Agriculture operates under what is called conditions of increasing cost, meaning that at any given time, unit cost tends to vary directly with the volume of product" say Fairchild, Furniss and Buck.

T. N. Carver said:

"Even assuming it to be possible to make one acre produce a hundred bushels of wheat, it by no means follows that it would be economical to try to do so. Every farmer will find it to be advantageous to spread his cultivation over more acres rather than to try to make each acre produce all that is physically possible."

G. O'Brien went further and said:

"That agricultural production obeys the law of diminishing returns has been demonstrated experimentally and is unquestionable."

"The advancement of science might devise methods to postpone the operation of the law but it cannot be permanently eschewed. On the other hand, industries ordinarily exhibit a tendency towards increasing returns and diminishing costs; but even when a tendency of diminishing returns is felt in industry, it can be easily offset either by effecting a change in the technique of production or by the economy of large scale production." (*Indian Journal of Economics*, Vol. XXII page 196).

Ricardo, Patton, Mitscherlich and Spillman held the same view. Marshall stopped short somewhat and conditioned the view by saying—"unless there is an increase in the skill of the cultivator." Indeed it is hard to find books on Economics differing much from such views. Among the numerous grounds on which such a view is based (some of them are dealt with in other parts of this thesis) are that

- (1) the area of agricultural land is limited;

- (2) fertility of land is finite; and
- (3) demand for agricultural products is inelastic.

The laws of conservation of energy and of mass are elementary knowledge in the physical sciences, but the view-point of the economist is, and ought to be, different. The nature of the subject is such that the student of Economics has to busy himself with the present and the next few decades, perhaps the next century. To discuss the condition of the world in the 25th century A.D. would be the province of the poet, the prophet or the novelist. From the practical standpoint, it would be quite incorrect to say that the area of agricultural land is limited. There is comparative dearth of land in certain countries, but any one can easily see that this is so on account of comparison with reserved areas like Canada, Australia and the U. S. A., and not absolutely. How much you drink depends on your own thirst, not on the total quantity of water in the river. Agriculture has been pursued by man for at least seven thousand years, and we are having now-a-days record outputs of food-stuffs and raw material. Is this illustrative of the law of increasing cost? And there is the continent of Antarctica with about five million square miles, whose potentialities are estimated as far-reaching by scientists and explorers. In fact, the major portion of this world is known to the man who pretends to take a panoramic view, more by imagined coast-lines and stretches of country than by actual contact. The Amazon region is now-a-days being explored by 'planes, land-communication and transport being quite impossible. In India, almost every Province and State has undeveloped tracts, and it is only the absence of a well-planned internal migration that is standing in the way of utilising these vast and fertile areas.

The finiteness of fertility may be logical, but not realistic. On 154 crores of capital outlay on irrigation works in British India, the return secured in 1936-37 after including so many unproductive but 'protective' works, was 6.09 per cent (much higher than the return got in many Western industries), and in the Punjab, in 1938-39, the average yield on Government Canal irrigated land has been calculated at Rs. 32.7 while the water rate levied by Government works at Rs. 3.9 per acre. The metamorphosis of Sind from a desert into the best irrigated province in India has taken place during the last thirty years. Intensive cultivation has not even had a proper beginning yet in this country. For seven thousand years and more agriculture has prospered without a single "replacement" and yet it is mysterious that increasing cost is associated with agriculture, while even the most durable of industries demands "replacement" in a hundred years at the most.

The theory of the inelasticity of demand for agricultural products is based on the simple idea that man's appetite is closely limited. But it is an elementary notion in Consumption that with increasing variety the point of physical satiety could be postponed indefinitely. In the words of Sir Arthur Salter:

"So long as the standard of life of the Hottentot does not equal that of the millionaire, the limits to production of goods cannot be said to have been reached."

Raw materials for industry, fodder crops and finer food material like dairy products and fruits open up practically limitless scope for the development of agriculture. The British Agricultural Tribunal of Investigation said in 1924:

"The wealth of the soil, when rightly developed, is inexhaustible, and, to a certain degree, progressive in character. For, in dealing with the soil and with crops and stock, we are dealing with active organic material."

On the other hand, "industry" has been shrinking in the most advanced industrial country, the U.S.A. The New York Correspondent of the *Economist* said:

"In the past six years, most of the recipes in the economic cook-books have been tried at least once. The only remedy that has not been tried is a sustained attempt to lower the costs and encourage the expansion of the capital goods industries, whose coma is by common consent the root cause of the laggardliness of recovery."

THE PRICE-PROFIT AXIS.

"Agriculture operates on a narrow margin of profits and thus can hardly expect to command a large amount of capital which conditions the storing of crops, credit activities and a complicated machinery for the marketing of crops." (*Indian Journal of Economics*, Vol. XXII Page 194).

Have the attractive profits in industry in the 19th century been due to inherent conditions, or have they been due more to the fact that "trade followed the flag" and prices were more often determined on a uni-lateral basis—especially in dependent countries, than on a really competitive basis? The example of Britain illustrates this point. Between 1929 and 1938, her exports of coal fell by 23 per cent., of iron and steel by 39, of cotton textiles by 63, of woollens by 49; between 1929 and 1936, her

imports fell, in terms of gold, to 42·9 per cent. of the 1929 level, but her exports fell to 36·5 per cent; yet between 1924 and 1933, terms of trade were favourable to Britain: imports fell to 55 per cent, in price level compared to the 1929 level, while exports fell only to 67 per cent of the 1929 level. This meant that as a result of her external trade, Britain was about that period much better off in real goods than the countries from which she imported largely.

Could we recognise in this a universal tendency, or was it merely a temporary phase? The following figures from Sir R. Kindersley throw light on the acclaimed "profitability" of industry: most of British investments overseas is on industry, and with the passage of time, yields are shrinking gradually but steadily—in spite of the unique position enjoyed in several respects by the British investor on overseas concerns. The returns on home investments are much lower than those overseas.

*British Companies Operating Abroad; Capital Outstanding;
Dividends and Interest Received.*

(£ 000,000).

	Share Capital.			Loan Capital.			Total and Dividends
	Nominal Amount.	% of Dividend.	% of Capital.	Nominal Amount.	% of Interest.	% of Capital.	
1929	802	67·7	8·4	385	18·3	4·7	86·0
1930	815	59·0	7·1	390	17·5	4·5	76·5
1931	813	33·3	4·1	397	15·5	3·9	48·8
1932	816	29·0	3·6	389	13·5	3·5	42·5
1933	823	29·5	3·6	387	12·5	3·2	42·0
1934	840	32·4	3·9	388	13·1	3·4	45·5
1935	849	37·8	4·5	388	14·0	3·6	51·8
1936	840	43·4	5·2	379	13·6	3·6	57·0
1937*	847	57·9	6·8	363	13·5	3·7	71·4
1938*	855	57·5	6·7	354	12·1	3·4	69·6

Receipts at £ 69·6 million in 1938 were 19 per cent lower than the high figure recorded in 1929 and 65·7 per cent higher than the lowest level reached in 1933.

*The slight improvement in 1937 and 1938 in the upper table is attributed by Sir R. Kindersley partly to improved returns from oil and mining companies (prospective war and higher prices of gold) and partly to forward contracts yielding fairly high prices. And all this time, the international purchasing power parity of sterling has been going down, connoting shrunken returns in terms of real goods.

*Companies Registered Abroad; Nominal Amount of British
Capital Outstanding; Dividends and Interest Received.*

(£ 000,000).

	Share Capital.			Loan Capital.			Total Dividends and Interest.
	Nominal Amount.	% of Dividends Capital.	% of Nominal Capital.	Nominal Amount.	% of Interest Capital.	% of Nominal Capital.	
1929	436	42.0	9.6	403	19.7	4.9	61.7
1930	391	31.7	8.1	391	19.3	4.9	51.0
1931	376	22.7	6.0	384	18.2	4.7	40.9
1932	344	22.1	6.4	375	17.1	4.6	39.2
1933	345	20.5	5.9	350	14.7	4.2	35.2
1934	352	26.0	7.4	335	13.8	4.1	39.8
1935	370	29.7	8.0	328	13.7	4.2	43.4
1936	377	35.1	9.3	326	13.4	4.1	48.5
1937	390	37.8	9.7	328	12.8	3.9	50.6
1938	376	31.6	8.4	309	11.4	3.7	43.0

A really competitive market is not to be found in this world of ours, and with the province of interference claimed now-a-days by the British Government, the terms "cost" and "profit" have lost all economic significance. To-day the meanest agricultural labourer gets in Britain 49s. per week while the real wage in India secured by the agricultural labourer is not more than one anna per day. There are some life insurance and other companies in India which make over 50 per cent dividend on share capital paid up, while one gold-mining company incorporated in England and working in Australia is paying 87 per cent of its net revenue as tax to Government, retaining only 13 per cent for distribution of profit on shares. In the U.S.A., there is an "unjust enrichment tax": prices of necessities of life are severely controlled in Britain through enormous subsidies (about £ 100 million a year).

That agricultural prices are subject to greater fluctuations towards low prices does hold true in cases like that of India, but this does not appear to be true of all countries. The following figures deserve thought: the base year is 1929 with 100 for prices of both raw materials and manufactured goods, and the figures given below are for 1937.*

**World Production and Prices*—League of Nations.

	Raw materials	Manufactured goods
United Kingdom	129.5	106.5
Belgium	77.5	76.5
Canada	89.0	85.7
Poland	67.9	60.3
Italy	90.9	84.5
United States	92.4	89.8
Sweden	97.0	93.0

The expansion of the motor industry in the U.S.A., is shown up as proving that the scope for lowering costs, for shortening the time cycle of production and for adequately stimulating demand and thus avoiding a glut, is greater in "pure industry" than in "pure agriculture". Sir William Beveridge stresses the point that agricultural plans are less elastic on account of the comparative ignorance of the farmers about market conditions relating to different crops, and the fact that decisions once taken in agriculture could be changed only after a year at least. Here again, actualities do not confirm such a view. The terrors of the trade cycle are much greater in industry than in agriculture: the "bottom" of the depression is reached at one step in industrial cycles because "once the empty vessel is filled, one has only to keep it filled" (Spiethoff). In actual practice, a readjustment from expansionist investment of capital to replacement dimensions is extremely difficult, and this is why Harrod speaks of the precipitancy towards the "bottom" as a characteristic feature of the industrial trade cycle.

Not only this. There is much less scope for competition in organised industry than in agriculture: big industrial interests had to decide whether it was 'economic' to introduce a new discovery or a new process before the existing ones were obsolete, and whether it was not better to 'put them in the ice box' (Ritchie Calder). The British Association for the Advancement of Science recently threw out a challenge against this strangling at birth of scientific discoveries and inventions. The cases of the Welsbach mantle, nylon, rayon, zip fasteners and resin lenses are too well-known to need detailed reference.

The acrobatic experiments that have been and are being tried in order to save otherwise unbusinesslike industrial concerns is typified by the following extract from the *Economist*:

"The Soviets were doing in the twenties, in fact, what the Germans learnt to do in the thirties, selling abroad at prices far below

what could have been obtained on an artificial home market, striving at all costs to increase capital investment, compensating for this by crippling purchasing power with forced loans and controlled prices."

And yet we are told:

"Within the structure of money economy, the quantity of harvest counts for little while its monetary value takes a premier significance. Profit and loss calculus has to be measured by the yard stick of money, and not by the quantity of harvest raised." (*Indian Journal of Economics*, Vol. XXII, P. 193).

This would be allright where agriculture was *all* for sale, but invariably, agricultural produce goes to the market *only after* meeting the requirements of the home granary and godown. A differentiation between food crops and cash crops would make the position clearer: no peasant grows cash crops only.

Really, in agriculture as in industry, quantity (including quality) is much more important than value: the latter is most often dictated (and misleads seriously) than evolved, but the former has a definite relation to social welfare. Again, between process of production and quantity of product, the former is more important because more than the latter, the former governs the equity or otherwise of distribution. To add, capitalist economy involves a wage-earning slave country or class just as much as "democracy" as worked in this world is based on helot-nations (or helot sections) maintained as such.

Does the "value" of money mean anything at all now-a-days when in the name of *relative* stability (in relation to cost—domestic? foreign?, to exchange, to fiscal policy? to gold, to balance of payments? to the several phases of the trade cycle? or the needs of social justice or qualitative credit control?) currency and credit tinkering has become the fashion?) Britain still claims to be on the gold standard with her weekly revaluation of gold (the 1939 Act of course not operating during the war), even as a man who marries after weekly divorces still claims to be a champion of monogamy. Money is being manufactured or pooled through switches and plugs, and being used more liberally than seawater in some countries, for some purposes, while in countries like ours, financial anaemia impedes any cumulative revival.

Agricultural operations are said to be "seasonal" and therefore more costly per unit of product, than industrial production which can go on

all the year round. The little machinery that is used in agriculture has to remain idle for the greater part of the year, and the labour employed is also for the same reason dearer. Present agricultural conditions in India do substantiate this theory, but the cause for this is not any indomitable seasonality in agriculture, but the Indian cultivator's lack of interest in his work for numerous reasons: to mention only one,

"An attitude of fatalism and defeatism in relation to the present low standard of life (due to low earnings) in India is explicable only on the part of those who have under-estimated the retarding influences of a system of finance which poisons rural revivification at the roots. The factories in India cannot flourish if her fields are not fertile."

—R. W. Brock.

The generalisation that:

"Peasants all over the world show a tendency to realise cash immediately on the eve of the harvest in order to liquidate their financial obligations, and agricultural produce is disposed of at unfavourable prices." (*Indian Journal of Economics*, Vol. XXII Pp. 193-194)

ignores the fact that agricultural finance—specially in India—has been most indifferently handled: in fact it has not been handled at all with any serious plan. Land mortgage banks have been working at best in Madras for just a decade, less than 4 crores of debentures have been issued by the Central Land Mortgage Bank of Madras with Government guarantee of principal and interest, hardly a fringe of prior debt (in strictly good and deserving cases) has yet been rationalized. But early in 1942, Mr. Austin made no secret of the Madras Government's anxiety not to extend the guarantee on debentures but to enable Government to wash their hands of the affair early: "land mortgage banks must stand on their own legs," and for this purpose, the Madras Government insisted on a 3% difference between borrowing and final lending rates. In the bustle of war industries, Governments in India have not the time to assess the foundational importance of reviving agriculture which really supplies the brunt of the sinews of war.

Between sowing and reaping, it might be only a portion of the year, but the urbanised critic does not seem to realise that agricultural operations include many other things beyond mere sowing and harvesting: in South India for instance, there are the *kharif* and the *rabi* dry crops and the *abi* and the *thabi* wet crops which require the farmer to be busy all the year round. Usually every farmer distributes his lands as amongst

these different-season crops according to the nature of the soil, his own domestic needs and market conditions, and there are the fodder crops and garden crops which keep the cultivator busy all the year round. Ploughing, adding fresh earth, manuring, levelling, embanking—these and similar work ought to keep the farmer busy throughout wherever there is intensive farming.

In the processes of production, it has been argued, the profits are generally greater as the concerned process is nearer to the state of actual consumption; the street-corner vendor makes the best profit on a match-box and the producer of the primary commodities (raw material) is said to get the least attractive remuneration. Secondary and tertiary industries are held to pay much better than agriculture. Discussing national incomes, Mr. Colin Clark recently opined that "progress is slow at the top end of the scale than lower down." He also holds that chances of unemployment are greater in the secondary and the tertiary industries than in primary production. Income *per capita*, according to him, is of the first rank in Canada—1300-1400 international units.

Agricultural communities are construed to be unorganized and inarticulate, contributing towards higher costs and lower prices. This has been so in many a backward tract, but a great deal depends on State policy. The following observation by Sir William Beveridge is significant:

"In terms of the New Deal of President Roosevelt, the suggestion made here is that the spearhead of attack on trade depression is to be found, not in the Federal Reserve Board or the Public Works Administration, but in the Agricultural Adjustment Act."

Increasing costs and unattractive prices are further attributed to the fact that agriculture depends to a very large extent on the physical environment, whereas industry commands its setting. You could plan the Hindusthan Aircrafts in every detail from the U.S.A., but you cannot speak definitely about your cotton crop even a few weeks before harvesting: soil, rainfall, sunshine, insect pests, winds, wild animals a host of such factors go to determine the final condition of the crop.

Phenomena like the trade cycle are examples of social organisms concomitant to industry. Mechanised agriculture as carried on in the prairies of the U.S.A., and the Collective and State farms of the U.S.S.R. have a great deal to do with mechanisms. Irrigation works, chemical fertilisers, soil and crop acclimatization, seed research, sprays—all this should have meant little if the physical environment were the sole deciding factor: the growth of sugar beet in England and the present day ploughing up of playfields and meadows in that country for potato

growing—such instances prove that while the physical environment is of course important, as well for industry as for agriculture, science has been enabling man more and more to modify his environment. The prosperity of the Panama Zone which was once infested with malaria is another of many examples. How far intensive agriculture has flourished as a result of State policy, appropriate research and adequate finance has been discussed by the writer of this thesis at some length in the *Indian Journal of Economics*, Vol. XXI Pp. 400-435: "Rural Co-operation and National Planning in India."

On the other hand, the dependence of industry on the physical setting is not inconsiderable. We are told that the configuration of the coast line, the rich coal and iron deposits and the insularity of the British Isles have been responsible for the British industries and huge overseas investments. Again, industry depends mostly for its prosperity on the market whereas agriculture does so to a much more limited extent. How did the raiyat in India manage to struggle through the post-1929 depression? He did so simply by making his sustenance needs the first charge on the crop from the threshing floor to the home granary, and managed the rest of the show as best as possible. But, the Batas cannot live on boots, nor the Unilevers on soap.

Agriculture assures a peace and a stability scarcely known in industrial quarters. Britain imports, in peace time, about a million pounds worth of agricultural products per day, and about 70 per cent. of the population is engaged in industry and commerce. What is the result? The Battle of the Atlantic has a special importance for her. As Sir A. Conan Doyle pointed out early in the last great war, delay of a week in the arrival of food shipments causes consternation in that island. The *Economist* observed:

"The dangers of an inflated agriculture in a post-war world must not indeed deter us from growing that extra food without which the war may not be won."

Science has excelled in teaching men to bomb big industrial plants in a few hours: the Dutch voluntarily destroyed oil resources worth £ 120 million in a few days as the enemy was expected there. The fears of "scorched earth" apply to industry in full force, but applied to agriculture, it means very little: the standing crop may be burnt, but the soil becomes more fertile for the next season. As yet, the scientist does not know how to sterilise the soil throughout the length and breadth of the country, permanently. Nor has he found the way to demolish cottage industries spread over wide areas in small units,

Industry is said to command wider markets than agriculture. Wheat, cotton, tea, jute and many other agricultural products have an international market, but the experience of the Western powers proves that dependence on distant markets is a highly risky affair. The Long Range Crop Control Act in the U.S.A. attempts to preclude the chances of depending on foreign markets. The embarrassing excess sugar stocks in India some time ago reveal the travails involved in planning for mass production in industry.

Grading and sampling are claimed to be more applicable in industry than in agriculture. This has been true in the past, but research has been fast enabling agricultural products to become capable of scientific grading and sampling. Due to the efforts of the Indian Central Cotton Committee, almost 25 per cent of cotton seed used in India is improved seed—which means greater facility for grading.

THE MALTHUSIAN SPECTRE.

A dark future has been guaranteed for an agricultural country *any* way. "Agriculturally backward countries (meaning agricultural countries with backward methods) are crippled with a vicious tendency towards unrestricted numbers, and thus are confronted with problems of starvation, while countries with highly mechanised operations (meaning agricultural operations) are called upon to grapple with the terrors of surplus and consequently we hear of occasional destruction of crops in the U.S.A." (*Indian Journal of Economics*, Vol. XXII. P. 190).

It is argued that with agriculture unorganised, population tends to multiply indefinitely, paving the way towards starvation, while organised agriculture inevitably leads to catastrophic surpluses germinating long periods of depression. "Pure industry," we are told, avoids both these dangers—of over-population and over production.

Is this really so? The industrial revolution was in its hey-day in Europe in the 19th century, and yet the growth of population was phenomenal there in the same period: between 1821 and 1920, Europe sent out 34 million emigrants on a voluntary basis. On the other hand, Canada, although an agricultural country, is not able to show a satisfactory increase in population. With her five year plans, the U.S.S.R. has taken actively to a policy of industrialisation, but the growth in numbers has become extra-ordinary. Births exceeded deaths in 1937 in England by 21 per cent., in Germany by 62 per cent, in the U.S.A. by 30 per cent., in Italy by 38 per cent. and in the U.S.S.R. by 115·7 per cent.! In France

where fifty per cent. of the population is engaged in agriculture, deaths have been exceeding births for several years (peace years). "The declining birth rate tends to limit the country's capacity for economic and financial expansion." (Paris Correspondent of the *Economist*). Is a virile growing population a liability—as many of our theorists contend? It is a sorry tale in Britain and in the U.S.A. Leonard Hill deplores the tendency in Britain of children becoming fewer and older people larger in numbers: "If the difference continues, the result must be that the dictators will soon have at their disposal far more young and virile people and must win by sheer numbers in industry and in war." He calculates that at the present rate, British children will diminish in numbers by about 4 million between 1931 and 1951, while in the same period, people aged over 45 years will increase by about three million. His was a peace-economy estimate. He prognosticates: "The nation heads for extinction in a hundred years or so." The *Economist* dated June 1, 1940, observed: "Clearly the case of our children is an urgent necessity, second only to victory in the order of immediate priorities. Children are our most vital reserve."

The situation in the U.S.A. is no brighter. The falling rate of increase in the population has created a huge problem for the State—of canalising and investing national savings which would otherwise go to waste for sheer lack of numbers. The *Economist* said:

"In a country whose standard of living (and therefore the standard of saving) is high, but which is failing to expand in numbers as rapidly as before, there is a tendency for the volume of capital that is invested to fall short of the savings that the public would wish to make, with the result that the savings run to waste, purchasing power is limited and unemployment is created."

Where has the industrialisation policy of Stalin led the U.S.S.R.? Between 1928 and 1934, the supply of meat, milk and eggs was halved, that of other foods hardly kept pace with the increase in population, but other output rose by two-thirds. The sustaining power of agriculture has been well demonstrated *negatively* in that country: The *Economist* said:

"Thirty million men and women who were used to making most of the things they consumed, suddenly attacked the market with their newly acquired money in their pockets, and demanded manufactured foods, factory-made furniture, electric lights, radios, and most difficult of all, manufactured clothes and shoes.....Russia is still to-day a country of hungry

buyers with their pockets full of money, ready to take almost anything even at high prices."

Nearer home, in Cochin, in Travancore, in Java, the density of population is higher than in Europe, but no one there speaks of over-population. In every nook and corner of the world, unemployment is directly proportional to the neglect of agriculture. In the next two decades to come, the population of India may increase by about 70 million, but the employment which the most rosy scheme of "industrialisation" could hope to provide could not exceed five million: practically the whole increase in population must find sustenance in agriculture. The responsiveness of agriculture to the needs of a growing population has not failed anywhere and at any time persistently.

The main explanation for many raiyats in India marrying more than one wife is agricultural economy: they want more hands for the labour, and members of the family are more efficient and loyal labourers than mere wage-earners; and more wives means a larger number of children. The pride with which the killing of millions is being announced now-a-days is not a product of the theory of Malthus but of the pet capitalist industrialisation theory. And still, we have had a Ranade, we have Dr. Meghnad Saha and Sir M. Visvesvaraya, we have Mr. P. K. Wattal, and a host of other competent and well-meaning thinkers and scientists who tell us that the solution for the "over-population" of India lies in "industrialisation." Is there over-population? Does "Industrialisation" carry with it the capacity to absorb even a mentionable section of the community?

The standard of living has been high among the citizens of industrial countries and low among agricultural communities. This claim has been falsified by the findings of Mr. Colin Clark. New Zealand, Argentine and Canada are among the "top" countries with regard to *per capita* incomes. Again, it is very hard to agree on a definition of the "standard of living" common to agricultural and industrial communities. In industrial areas, there are numerous monetary liabilities like heavy rents, worrying medical bills and civilised diseases, higher prices for necessities of life, while in agricultural areas, non-monetary items of income render the *real* standard of life much higher than denoted by the monetary income or expenditure. Fresh air and sunshine, simple living, hard physical work, fresh food with copious supplies of vitamins, above all, peace of mind—these have a value scarcely assessable in monetary terms. Aggressive advertisement by industries has demoralised and degenerated the urban world to an extent much more serious than ordinarily supposed, but the farmer is fairly free from these unhealthy

items. After all, Peter, the Fool of Tolstoi, maintained a really "higher" standard of life than all his brothers.

THE REAL CLEAVAGE.

Agriculture is the mainstay of all human life and activity: industry is the housewife responsible for small but pleasant embellishments. This side of the industrial revolution, the housewife has been developing into a shrew: she did get two severe epileptic fits during these two great wars, but she has not yet been tamed. The shrew and her admirers, her employees, are still humming her praises, but probably in her heart of hearts, Chanchala admired the tough physique, the stupid look, the serene mind and the spiritual power of Rshyashrngā: otherwise the princess marrying the parishioner could not be explained. Agriculture and industry are *really complementary*, even as man and woman, and what attention is deserved by the one or the other at a given time depends on the circumstances at the time in the country concerned. Britain would do well to look more seriously to her agriculture and India would do well to attend *more to her industries than before*. The most decentralised agriculture does require industries like smithy and carpentry as prerequisites, and intensive (small scale) operations must depend largely on agricultural tools and appliances which are the product of industry. While the jute-mills in Bengal depend on the jute-fields, the wheat and cotton fields of Sind depend as much on the Sukkur Barrage. Also, certain needs could be met by agriculture alone, certain others by industry alone. Recently, it was suggested in Madras that male nurses should be employed in hospitals; after some consideration; the idea was ridiculed by the medical authorities, by the patients and by the prospective male nurses themselves! We have not yet heard of women blue-jackets. Agriculture cannot yield sulphuric acid, industries cannot invent bread.

The greater the distance, the time, the complication of machinery between processes of production and actual consumption, the greater is the risk and the greater the waste. The Ickes Committee in the U.S.A. estimated that between 1929 and 1937, national loss on account of unused men and machinery in that country amounted to 2,00,000 old gold dollars worth, which wasted resource should have given every family in the U.S.A. a house worth 6000 dollars. And all this happened in the name of the 'economy of industry.'

Compared with capitalistic industry, agriculture has undoubtedly greater prospects in the future. In a recent meeting at London on 'Science and World Order', it was pointed out that oil and tin resources

had "come within calculable distance of exhaustion." "Minerals taken out during the first quarter of the 20th century were greater than in the whole of the previous history (say, 6,000 years after copper was first mined), and at the current rate of development, the world production of many minerals doubles itself in 10 to 20 years." "Copper, tin, gold and phosphates, at the present rate of production, are believed to have a further life of less than a century." What will happen to the plant and labour engaged on these and allied gigantic industries, once the mines run empty?

On the other hand, it was emphasised at the same Conference that "advance made in biology and allied sciences has placed in our hands powerful instruments for enormously increasing our agriculture, forest and allied resources which have the great advantage of being *assets that renew themselves*."

Some of the incorrect distinctions between agriculture and industry have been dealt with, some of the *real* differences enumerated. It has been shown that values are in many cases the products of advertisement—call it 'education' if you please. The fact is that while the war is approaching the Indian shores and enveloping the world, Governments in India are giving *more thought than before* to industry. Even the token sympathy for agriculture and its problems has been shelved for the duration of the war. This must mean that to this extent India will emerge weaker from the present war. The 'market price' and the quantity of the product is not everything. The very process of production also works as a determinant of distribution, and from this view point the real distinction that should be borne in mind in the structure of production appears to lie, not in the contents of the product, but in the degree of centralisation or decentralisation. The line of cleavage is not the use of machinery or of power but the juxta-position of property rights and labour. A tailor working with a sewing machine is categorically differently situated from a factory making clothes. The greater the use of machinery and power, the greater the inevitable divorce of labour from capital. Science has taught economies in the processes of production but it has failed to show the way to combine proprietary production and advanced use of machinery and power. Cottage industries have all the virtues of peasant farming, while mechanised large-scale agriculture as in Brazil (where coffee was sometimes used as fuel for engines) has all the risks of factory production. Even in the degree of decentralisation, there are numerous shades as between dark and fair, and the policy of 'garden factories'—small in dimensions and located in nooks and corners (in countries yet to be

industrialised), and of the "expansion of labour intensive farming, namely, meat, vegetables, industrial plants and cattle", (Economist) in countries already suffering from industrialisation on capitalistic lines, seems to hold out much promise, and could be applied with benefit to different parts of this country as well. The twain shall meet in the village: peasant farming and cottage and small-scale industry are as harmonious and complementary as large-scale industry and agriculture are disharmonious and maladjusting. Capital intensity has apparently greater economies about it and greater profits, but simultaneously, it carries with it seedlings of inelasticity and violence on account of the complementarity and specificity of differently behaving factors of production and on account of time lags, miscalculations and inevitable friction.

"The universal application of mechanical power to reduce human labour and fatigue should be the first step in planning. This means that in every nook and corner of the country power should be used for various operations like pumping water, ploughing, threshing, grinding, weaving, sawing and in various other operations relating to the vicissitudes of daily life obtaining in every village all over the country....Power derived from nature, whether it be from the fall of water, or the heat of wood or coal or oil, or the force of wind or waves, must find application in every physical activity of man. This is the gospel of the great civilisation of the West that is undoubtedly a marvellous achievement." (C. K. Menon).

Men would be no better than horses if horse-power were to be the sole criterion for man's economic progress. The following extracts from the Final Report of the British Agricultural Tribunal, 1924, emphasise the *other* aspects of agriculture as an avenue of production, and deserve careful consideration at the present time in India when policy is on the anvil.

"...One of the things which makes for the general stability of the economic life of the country is a prosperous agriculture; and *vice versa*, a declining agriculture means the decline of many subsidiary urban occupations."

"...When a nation becomes predominantly industrial and its agriculture is very much restricted, the national life suffers. Every nation should, therefore strive to maintain a substantial portion of its population employed on the land. The ratio between those occupied on the land and those in manufacturing

industry is a matter of far reaching importance, and deserving attention. The 'Family' 'the Homestead', and the 'Small Holding' in the New World and in the Old express an idea which is not simply economic, but social.... The preponderance of the small farm is increasing and the movement in its favour is strengthened by the evidence that the 'family farm' is weathering the difficult economic conditions of the times. Thus in agriculture the tendency has been in the reverse direction from that in other industries, in which great aggregations of capital and labour and the submergence of the domestic industry and of the small independent workshop or factory have been so general."

The following, among other observations of the Sage of Sevagram, may also be quoted in this connection.

"The heavy machinery for work of public utility (Defence included) which cannot be undertaken by human labour has its inevitable place but all that would be owned by the State and used entirely for the benefit of the people." "Distribution will never be equal so long as you want to tap other markets of the world to dispose of your goods."

The latest decision of the Imperial Council of Agricultural Research to organise regional independence in the matter of food grains (in the face of the Japanese menace) is probably the dawn of a new, perhaps a sounder, plan of production.

CONCLUSION

All this is but a truism, but a vital truism being overlooked by man in his bustle and imitation. Prof. Pigou once said that reverence for their master (Marshall) checked enterprise and initiative among his pupils (Wicksell succeeded in raising a generation of pupils who regarded criticism of the master as their first duty). And here in India, there has been a persistent atmosphere of awe on one side and suspicion on the other, stifling scientific research and bold expression. What has been happening in other countries? In his Presidential Address to the twelfth session of the Indian Economic Conference at Mysore as early as 1929 Professor V. G. Kale said:

"The history of economic thought in other countries suggests that when there is an intellectual upheaval and excitement and provocation of surrounding social and political conditions and when there are urgent national problems to solve, thinking

minds are driven to apply themselves to the discussion of economic questions and to impart their ideas to others."

Here on the other hand, most of the work of Indian Economists has been historically reviewing the works of British Economists and echoing their views mechanically. One prominent Professor of Indian Economics recently said:

"Modern economic theory was evolved in the West and is necessarily connected with the actual economic systems obtaining there (liberalism, socialism, corporationism etc.)"

He opined that 'laying down of general principles' did not necessitate reference to Indian conditions. The economist in India would be failing in his duty if he felt like a protestant but kept 'orthodox' for fear of a stigma of heresy.

The planned co-operation must be an offensive on all fronts. Weakness or indefensibility in one sector will establish the foe in no time within the entire territory. The peasant's life with its inefficiency, simplicity, fear and ignorance is one undivided whole, and that rural programme succeeds which can improve him from all sides, economically, socially and morally.

—Dr. Radhakamal Mukerjee.

REHABILITATION OF CO-OPERATIVE CENTRAL BANKS IN CENTRAL PROVINCES AND BERAR

A NOTE BY

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Causes of the crisis which overtook banks.

The price of cotton which is the main money crop of Berar steadily rose from 1921 to 1923. In the latter year, it reached its highest mark when it was sold at Rs. 200 to Rs. 250 per khandi (784 lbs.). With the rise in price of cotton, lands were sold at Rs. 500 per acre. From 1923-24, the price of cotton, began to fall steadily but even then it was fairly high till about 1929-30. During the period of boom and thereafter, the credit of agriculturists in Berar was good. They were considered to be solvent to any extent and were granted loans very freely. Recoveries effected from them were also satisfactory. Deposits flowed into central banks which could also thus get sufficient funds for granting loans to big borrowers not only for productive purposes but also for repayment of old debts.

After 1920-30, the period of depression commenced and continued till 1939-40. During this period of depression in the price of agricultural produce, members of societies found it difficult to make satisfactory repayments. The result was heavy overdues cropping up in all banks. Loans which had been advanced in the days of high prices not only exceeded the value of the assets of the members but had also gone beyond their repaying capacity. As a result, central banks were constrained to take coercive action against their defaulting members and particularly big borrowers. But the speed with which this action was taken was rather slow. As banks did not receive adequate repayments, they found it difficult to meet the calls of depositors. Deposits also began to fall. The banks had, therefore, to seek the assistance of the Provincial Bank, Nagpur, for getting loans for meeting the calls of depositors. The Provincial Bank granted loans to some of the central banks in Berar for the above purpose. But in 1938, it found itself unable to advance any more loans, as the business of central banks in Berar had become long-term while the Provincial Bank had only short-term capital to invest. This refusal on the part of the Provincial Bank to finance central banks

in Berar for repayment of deposits made the position of central banks vis-a-vis their depositors rather precarious. As a result of coercion exercised by them, the banks had only acquired vast areas of land but had little cash with them to meet the calls of depositors. The inevitable result was that some of the banks had to suspend payments of their liabilities.

The circumstances were different in the Central Provinces; but even there, the shortage of recoveries and the inability of the Provincial Bank to make advances to the central banks for meeting their depositors' liabilities compelled some of them to suspend payments of deposits. The Khamgaon Central Bank was the first in Berar to suspend payment of deposits. It was followed by the Akola Central Bank and gradually seven more banks had to suspend payment of deposits in 1939. In the Central Provinces, the Hoshangabad Central Bank suspended payment in September 1939 and four more banks had to suspend payments in 1940.

Gole Committee and Government's Communiques.

As the position of central banks in Berar became precarious, the Co-operative Department moved Government in September 1938 to appoint a strong Committee of representative co-operators for examining the condition of the Co-operative Movement in Berar and to recommend measures for its revival. Accordingly, the Government of Central Provinces and Berar appointed a strong Committee of representative co-operators on 6-10-1938:—

- (1) to examine the position of the Co-operative Movement in Berar in general and of the finances of central banks in Berar in particular.
- (2) to suggest ways and means for a remunerative management of the lands acquired by central banks; and
- (3) to make proposals for financial accommodation to those central banks which were in need of it immediately or for some years to come.

The Committee made an exhaustive investigation and sent its recommendations to the Government in February 1939. The Government examined the recommendations made by the Committee very carefully and enunciated its own policy for the revival of the movement in Berar in its communique dated the 9th September 1939. The proposals contained in this communique did not commend themselves to the interests primarily concerned. In the meanwhile, circumstances changed on

account of the war which broke out and the price of cotton and that of land showed a tendency towards rise. Government, therefore, considered it proper to review the situation in the light of altered circumstances and published another communique, dated the 26th March 1940, laying down the principles on which the movement in Berar should be resuscitated.

It also promulgated an amendment to the Co-operative Societies Act, 1912, enacting section 42-B of the Co-operative Societies Act with a view to enable co-operative central banks to arrive at a compromise with their creditors in respect of the repayment of their liabilities.

Meetings of central banks, arrangements accepted by their creditors and enquiries made under the arrangements.

In accordance with the provisions of section 42-B *ibid*, meetings of the creditors of nine central banks in Berar which had suspended payment of deposits were convened and held in June 1940. The creditors of five banks viz. Yeotmal, Ellichpur, Akola, Buldana and Amraoti, accepted the arrangements placed before them for the repayment of their claims finally while those of the remaining four banks viz. Khamgaon, Malkapur, Morsi and Daryapur accepted similar arrangements provisionally and decided to consider the arrangements finally in their second meeting to be held after the net assets of banks were determined by the Registrar. The arrangements accepted finally by the creditors of four banks were confirmed by the Registrar in July 1940 but that of Amraoti could not be confirmed as the Provincial Bank which was one of its creditors raised in the meantime an important question in regard to its security rights.

By this time, four central banks in the Central Provinces viz., Hoshangabad, Piparia, Jubbulpore and Murwara had also suspended payment of deposits and requested the Registrar to apply to them section 42-B. The meetings of their creditors were convened and held in August 1940 where the arrangements proposed for the payment of claims of creditors were accepted finally. Under these arrangements, the Registrar was to make enquiries into the assets, liabilities and repaying capacity of members of societies with a view to determine the net assets of the banks available for payment to their creditors. A majority of members of societies in these banks owned occupancy lands which were not transferable. It was, therefore, considered difficult to ascertain the exact value of the assets of members unless occupancy lands in their possession were made mortgageable in favour of co-operative societies and made saleable by them. The Registrar therefore, moved the Provincial Government for amending the Central Provinces Tenancy Act to make

occupancy lands mortgageable and saleable for co-operative dues. When Government agreed to do so, the arrangements accepted by the creditors of three banks were confirmed by the Registrar in February 1941 and that of the 4th bank in March 1941. In the meanwhile one more bank in the Central Provinces, viz. Chhindwara, also came under section 42-B. A meeting of its creditors was held in April 1941 and the arrangements finally accepted by its creditors were confirmed towards the close of April 1941.

The Provincial Bank which was one of the creditors of the Amraoti Central Bank meanwhile prepared another arrangement for the consideration of the creditors of the bank. Another meeting of creditors of the Amraoti Central Bank was, therefore, convened in May 1941 and the arrangement finally accepted by creditors was confirmed in July 1941. Under this arrangement, a satisfactory compromise was arrived at between the Provincial Bank which was a secured creditor and the other creditors of the bank. The Provincial Bank declared the value of its secured claim at Rs. 4 lakhs and agreed to share pro-rata along with other creditors in respect of its unsecured claim minus rupees one lakh which it remitted from 1-7-1941. The Provincial Bank also raised a question about its security rights in respect of Akola, Buldana, Khamgaon, Malkapur and Morsi central banks. The question was carefully considered both by the Department and the authorities of the Provincial Bank. It was ultimately agreed by the Provincial Bank that it should make lump-sum settlements with Akola, Khamgaon, Malkapur and Buldana central banks, while in the case of Morsi it agreed to make a settlement on the lines of the Amraoti bank.

Out of the 14 central banks under section 42-B, it was provided in the arrangements of 13 of them that enquiries should be made by the Registrar into the assets, liabilities and repaying capacity of members of societies with a view to determine the net assets of the banks available for payment to their creditors. In the case of the Yeotmal bank, the creditors decided to have the enquiries made by a sub-committee of the bank. The creditors of this bank did not wish to avail themselves of Government's guarantee for payment of interest while the creditors of all other banks insisted upon such guarantee. As enquiries were to be made in a number of societies and in several banks, it was considered necessary to lay down detailed instructions for the guidance of members of the staff who were expected to make enquiries. The instructions prepared were approved by Government, which was also pleased to sanction special staff for making enquiries in the banks under section 42-B. Rehabilitation enquiries were started in January 1941 in

the areas of six central banks in Berar, namely, Ellichpur, Daryapur, Morsi, Khamgaon, Malkapur and Buldana and two central banks in the Central Provinces, namely, Hoshangabad and Jubbulpore. They were all finished by the end of July 1941. The results of enquiries were approved by Government and the amounts finally determined by the Registrar as available to the creditors were communicated to the banks concerned in the rainy season of 1941.

Second meetings of creditors of the Daryapur and Malkapur banks were convened in October 1941 for the consideration of the arrangements based on the results of enquiries while that of Khamgaon Central Bank was done in December 1941. The arrangement of the Malkapur bank was accepted finally by its creditors and confirmed by the Registrar in November 1941. The arrangement accepted by the creditors of the Daryapur bank was confirmed in April 1942 as the decision on creditors' claim to have a lien on the assets of the bank after the period of the arrangement took some time. The creditors of this bank have given up Government guarantee of interest with a view to retain their rights to the banks' assets even after 20 years. For some reason, the meeting of the creditors of the Khamgaon bank, which was to be held in December 1941, had to be adjourned. The adjourned meeting was held in February 1942 and the arrangement finally accepted by its creditors was confirmed towards the close of February 1942.

The Provincial Bank wanted to have the arrangements made in the case of Buldana and Akola central banks revised. A meeting of the creditors of the Buldana central bank was convened in December 1941 to consider the revised arrangement; but as the creditors did not agree; the arrangement which was placed before them by the central bank for consideration was withdrawn. In the case of the Akola Central Bank, the revised arrangement was accepted by its creditors in March 1942 and confirmed by the Registrar in April 1942. As the creditors of the Akola bank did not like to have their dues conciliated, they gave up claim to Government guarantee of interest.

During the current co-operative year, (1941-42), rehabilitation enquiries were started in the areas of Amraoti and Akola central banks in Berar and three central banks in the Central Provinces viz. Piparia, Chhindwara and Murwara. The Amraoti enquiries were finished by the end of February 1942 and those at Akola by the end of March 1942. Enquiries have similarly been finished in all the three C.P. banks. The results of enquiries in the two Berar banks have already received the approval of Government while in the case of the C.P. banks, the results

of enquiries will shortly be received from the special officers in charge of enquiries.

Salient features of the arrangements

The following are the salient features of the arrangements which have been accepted by the creditors of different banks in the province:—

(i) A small committee of management has been set up in each bank, consisting of one representative of depositors, one each of shareholders, affiliated societies and the Provincial Bank and the Registrar, Co-operative Societies or his nominee. This committee will practically function throughout the period of the arrangement.

(ii) The period of every arrangement is limited to 20 years. During this period, every bank is expected to pay to its creditors the amounts which have been estimated as realisable by the Registrar. The rates of interest on the estimated amounts which will be made available to the creditors of the bank generally vary from 2 to 3 per cent, two in banks which are financially weak and three in other banks. The payment of interest carries Government guarantee.

(iii) Out of the cash and liquid assets of banks, a provision has been made for paying interest to the creditors and distributing principal pro-rata wherever possible, after reserving certain amounts for public charges, cost of management etc. Accordingly, first distribution has been made in all banks under section 42-B.

(iv) Some amounts out of cash and liquid assets have been reserved for financing affiliated societies so that the movement can be kept on going.

(v) The mode of appropriation of future realisation has been specified.

(vi) In some arrangements, a provision has been made for referring to the Registrar, for decision, all differences, disputes or questions regarding the interpretation of the arrangement arising between creditors i.e. interest or between any one or more of them on the one hand and the central bank on the other. The decision shall be final and binding on the parties concerned.

(vii) In some arrangements, the power of modifying the arrangement without affecting its substance has been given to a small committee consisting of the Registrar as president, a representative of the Provincial Bank and a representative of depositors.

Implementing the results of rehabilitation enquiries.

Comprehensive instructions have been drawn up for the guidance of the staff of banks who are expected to implement the results of rehabilitation enquiries. These instructions have already been issued to the central banks concerned. Some banks have already started the work of implementing the proposals while some are making preparations for doing so. As the rainy season will shortly commence, the work of implementing rehabilitation proposals will have to be put off. It is hoped that this work of implementing rehabilitation proposals will be finished by the 31st March 1943 or the latest by the 30th June 1943, that is to say, the close of the next co-operative year (1942-43).

We need to develop these services from finance to production so that, when a collapse comes, we shall be strong enough within our own co-operative circle to maintain a continuous flow of products that we use.

—Perry L. Green,

EFFECTS OF WAR ON RURAL AND URBAN ECONOMY IN THE PUNJAB

Work of the Agricultural Co-operative Organisation

By

CH: MUMTAZ AHMAD, B.A.,

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Before the out-break of the present world war an average peasant proprietor in the Punjab would make earnest enquiries from all seemingly well informed persons like the itinerant village patwari, a teacher or a casual visitor from the town who came in contact with him whether there was any possibility of a war breaking out. If he received an answer in the negative the villager would let slip a remark showing his disappointment and appeared to be depressed. During the famous Munich Crisis when the world was in the grip of a high political tension the villager to whom the news of the impending war had filtered down felt buoyant and agitated with suppressed delight. But when happily for the world the storm blew over, but only for a time as the later events proved, he cursed his stars and felt as if the expected millennium had eluded him once more.

This wishful thinking on his part had not a root in any Nero-like exultation over the distress and suffering of humanity although such a wish is a common human failing but he thought that the advent of war would prove a panacea for all his economic ills, and that prices would go up bringing in their wake the long hoped-for prosperity and freedom from want. The view that the war would prove a solvent of his difficulties was based on the experience of the boom period that followed the conclusion of the first world war. The world-wide slump that came after this boom and shook the foundations of most stable economic systems of the world did not cloud the issue but was regarded as an action of blind fate or a mere freak of fortune or perhaps due to an absence of hostilities.

The prices in the last decade had come to stay at an admittedly uneconomic level and his toiling and sweating was unavailing.

The incubus of a village money-lender having been removed and consequently his impossible debts practically liquidated or scaled down

to a negligible proportion of the original by the far reaching and drastic agrarian legislation in this province, he considered that a rise in prices now would leave a sufficient margin to him after defraying the land revenue and accounting for the cost of production so as to guarantee a comfortable way of life for him. In his craving for higher prices consequent on the outbreak of war he had unconsciously shut his eyes to the inevitable misery and affliction that is let loose on the world by a modern war. To be more correct, an average villager could have no vision of war affecting the whole tenure of life and posing complications and problems that baffle solution. In short all his hopes and longings were pinned on the flare up that would envelope the whole world in its sweep.

The townsman being more clever and by nature fearful of any sort of armed conflict was not so enthusiastic about war as his counterpart in a village. In some bigger towns, however, socialistic tendencies having been fostered among the working classes there was an unconcealed desire for a world shake-up which, as they thought, was surely to lead not only to the betterment of the economic conditions of masses but to an effective share in the administration of the country.

Such was the back-ground when the war came on at last. From the beginning of hostilities in Europe to the autumn of 1941 the war touched only a fringe of the village economy. There was no doubt a rise in the prices of imported articles but a villager was not appreciably affected by it because his needs of such things are very few and limited. But when the war clouds on the eastern horizon began to gather and alignment of the Japan with the Axis became a foregone conclusion there was a rapid change for the worse and he began to realise how he was tricked by false hopes of better days as a result of war.

By an irony of fate the first visible fruit of war came in the collapse of the price of short staple cotton, or what in common parlance is called '*Desi Kapas*', which had always found a ready market in Japan. The hopes nursed by a zamindar crashed and he was partially disillusioned. The long staple cotton or what is popularly known as '*American Kapas*' maintained an upward trend in its price for a time; but it began to retrace its steps and soon reached the rock bottom pre-war level.

The short staple cotton is grown extensively throughout the province because this variety has been grown for many centuries, or to be more exact, since cotton became popular in this country and as such it has completely become acclimatized and consequently it is less liable to disease and can stand a drought much better than long staple cotton can.

In the Punjab the most lucrative money crop is the cotton. With its diminishing demand leading to a corresponding decline in its price it had a most pronounced effect on the village economy. The war having resulted in the rise of prices of a villager's necessities, however limited they may be, disillusioned him at last that the war on which he had built so many fond hopes was not an unmingled good after all.

The second important crop of the Punjab is wheat. Over a number of successive years in the past the price of wheat ruled more or less steady at even less than Rs. 2 per maund and for this reason it had become a mere drug in the market and did not matter much in terms of money. The unbroken spell of lean years for more than a decade had hit the agriculturist very hard. In some respects wheat is of outstanding importance to a cultivator. Not only because he has to set apart a portion of it for his domestic consumption but because a small percentage is earmarked to meet the wages of his employees whether working whole-time or part-time. The whole lot of menials and village hangers-on both peripatetic and permanent residents try to collect as much wheat as possible by fair means or foul to tide them over the year because it is the staple food of the country. Any decline in the price of wheat does, therefore, affect the whole fabric of village life.

The reasons for this run of lean years so far as wheat is concerned are traceable to world causes like overproduction in wheat-growing countries, especially U.S.S.R., U.S.A., Canada, Argentine, Australia and the policy of economic self-sufficiency, the legacy of the world war, and complete absence of non-coordination of efforts for the disposal of surplus stocks. The primitive methods of agriculture adopted in this country superimposed by disintegration of land-owning classes with their fragmentary holdings could not hold their own against modern methods of agriculture practised by more civilized countries. The Collective and State farming of Russia ousted India from the wheat markets of Europe and the Middle East. The Australian and Argentine wheat was imported into this country to the detriment of the indigenous product. All these facts combined to make wheat the cinderella of all the money crops. If the Government of India had not come to the rescue of the wheat growing peasant by raising a tariff wall against the imported commodity and reducing the railway freight he would have been badly let down. Such was the importance of wheat when the catastrophe of war broke on the world. The lack of shipping space and threat to the trade routes in the Far East and Pacific ocean and buying up of large stocks of wheat for exportation to Iran reacted favourably on the price of wheat and the stocks that had been piled up during the slump period vanished away. A steady rise in the price of wheat again raised the hopes of the

villager and he expected that his loss in cotton would be more than offset by his gain in wheat. This fact restored his morale and the vision of a comfortable life began to assume a concrete shape. But the Fates had something else in store for him.

As already mentioned, towards the autumn of 1941 large stocks of wheat were purchased by the military authorities for their own needs as well as for exportation to Iran and the Middle East, with the result that the principal wheat markets were squeezed out of their stocks. The scarcity of wheat and other food grains led to many complications and consequent embarrassment of the people.

The Government of India were wise enough to foresee the impending shortage of wheat and appointed an officer of the Indian Civil Service as Wheat Controller. The appointment of Wheat Controller had not come too soon. He had been hardly installed in office and taken stock of the situation when the demon of wheat famine began to raise its head. Wheat became so scarce at some centres in the Punjab that all the energies of the District Officers were taxed to the full in meeting the rigours of the famine. This shortage can well be judged from the statement of the Premier made on the floor of the Assembly when the Government was accused of bungling and lack of enthusiasm and foresight with regard to the welfare of the public that the stocks of wheat at the time of the statement could only sustain the province for a week only. This revelation sprang a most unpleasant surprise on the province and great confusion and excitement ensued.

The Government had also controlled the price of wheat in time at Rs. 4-6-0 per maund. In landowning quarters this control was resented and interpreted as an unjustifiable cold douche to their interests. When the wheat famine was approaching its climax in February and March this year, the controlled price helped in sending large stocks of wheat underground and in giving rise to 'black market' activities and profiteering on an extensive scale. Fortunately the Deputy Commissioners had been armed with the powers of commandeering of wheat stocks. The notification making it obligatory on holders of wheat stocks exceeding 20 maunds to submit returns in respect of the wheat in their possession to the Deputy Commissioner did ease the situation to some extent and led the officers to form a more accurate estimate of the existing stocks and enabled them to find their bearings.

In spite of the best will and efforts on the part of the Government and the District Officers to remove or whittle down the evil effects of the wheat famine, much distress and suffering prevailed among the masses,

though it was only of a short duration because the harvesting season was fast approaching. The wheat and *atta* depots that were swiftly organized in cities and populous areas by the Government or charitable persons and institutions were overwhelmed by the public in a scramble for obtaining the wheat or flour as the case may be. All efforts to handle the swarming mobs and to make them form queues came to nothing. At these centres wheat was stringently rationed and given out in small doles. The waiting crowds contained a fair sprinkling of the aged, infirm, women and children whose cries and appeals for instant attention couched often in piteous words would melt even a heart of stone. The town labourers and other poor sections of the urban population had often to go without wheat flour and much precious time of an earning member of the family was wasted in knocking about for obtaining the *atta* for his family.

Although the village masses did not come out entirely unscathed yet the main brunt of the acute shortage of wheat was experienced by the comparatively easy-going urban masses. The villager is by habit, environment and occupation less vulnerable to the rigour of a famine and this factor stood him in good stead on the whole.

The Deputy Commissioners who were mainly responsible for the relief of distress in local areas freely drew upon the help of the Agricultural Co-operative Organization which by its training and scope is eminently well-equipped for meeting a menace of this nature.

The scarcity of wheat flour for the first time demonstrated so palpably the repercussions of war on the body politic of the country that even a man in the street began to realise that the war was on and that it was not an unalloyed blessing. The villager, or to be more correct a zamindar, who so ardently prayed for war and cherished its memory had to revise his ideas under the impact of the wheat famine. His small gain in wheat was quickly neutralized by his loss in cotton and by the rising cost of his living. Simple and primitive though he was, and still to a large extent is, yet with the march of times and with the means of transport becoming cheaper, more convenient and ample by a net work of railways and development of road communications even an average thick-skinned villager's outlook was widened and small luxuries and amenities previously foreign to a village life became his necessities of life. The prosperity that is due to expansion of irrigation system and springing up of several neat colony towns planned according to modern standards of sanitation and hygiene has further contributed to the transformation of a villager.

In addition to a rise in the cost of living in villages the output of agricultural products in its totality has fallen off as a result of shortage of agricultural labour. The recruitment in the Army and its Auxiliary Services, the speeding up and expansion of war industries has attracted the unemployed and unemployable of the village who, being sick of a life of unrelieved boredom and monotony and finding prospects of easy promotion in the army, thronged the recruiting booths in their tens and hundreds. The attraction of an army career has seriously depleted the flower of manhood in districts such as Rawalpindi and Jhelum which are regarded as very fertile recruiting areas in India. Similarly the areas dependent on rainfall where the village youth is not pre-occupied with any serious matters, beyond serenading, raking up a row or casual turn at the plough as the vagaries of weather permit have been drained of their youth to a marked extent leading inevitably to a decrease in the incidence of production owing to elimination of competitive wages or following the reduction in the number of farm labourers their stock has risen resulting in an increase in the cost of production.

In some districts or areas like Jhelum the scarcity of agricultural labour is so acute that women have to take the place of men in professions which had hitherto been the preserves of men only. The war has therefore acted as a double-edged weapon. It has raised the price of wheat and other foodstuffs on the one hand and has led to a decrease in the total output of production on the other.

The dwellers of towns and cities or those classes which do not depend on agriculture for a living have strangely enough generally fared much better under war conditions. The prices of foodstuffs and other necessities of life having been controlled the cost of living has not risen, commensurate with the rise in income of an average city dweller. The shopkeepers and traders are having a roaring trade and profiteering is widespread on account of limited supplies of essential articles for replenishment of stocks notwithstanding the fact that vigorous efforts have been made by the administration to check profiteering and other back-door methods resorted to by the trading community generally.

The fillip that has been given to the trade and industry by war and extensive building programmes undertaken by the Defence Department have provided more jobs than there are available men to fill them, with the result that even the unskilled raw hands have been taken on regardless of their antecedents and suitability for the job.

As briefly referred to earlier the Agricultural Co-operative Organization has played and is playing an important role in influencing the

course of village life. It has identified itself closely with the service of humanity and alleviation of suffering and distress caused by the war.

The touring duties of its staff and their closer association with the village masses not only enable them to study the causes of disaffection more clearly and at source but their influence can be counted on in counteracting the forces of evil. The reverses and set-backs suffered by the United Nations at the hands of the Axis had undoubtedly led to much searching of hearts and a defeatist mentality in some quarters. The situation was, therefore, capitalized by rumour mongers and conscious or unconscious enemy agents and fifth columnists.

The Agricultural Co-operative Organization is best fitted to give an antidote to the virus of communal rivalries and petty jealousies rampant in villages or towns, the more so during war time. Their mission is to finance the agriculturist and other down-trodden elements of society and act as their true friend, philosopher and guide. An employee of this organisation is less liable to be imbued with ideas of officialdom on account of the nature of his duties. There is a common saying in the Punjab villages that "a peasant is equally reckless whether rich or poor". So long as this ignorance is there, he stands in need of extraneous help to put his house in order, and here is a task for an ideal officer of the Co-operative Department.

It cannot, however, be said that there has not been any rise whatsoever in the income of an average villager. In addition to the increase in the price of food grains and cereals his income is augmented by a member of the family having joined up the army or by being absorbed elsewhere as a result of war.

The Co-operative Movement in the Punjab has, of late, made considerable headway apart from its credit side and has ramifications which touch on every aspect of a citizen's life thus providing numerous chances of contact with humanity in all its grades. An employee of this Department is not only called upon to do propaganda in favour of Government but he has often to collect subscriptions from villagers collectively and severally and to bring home on them the virtues of thrift by persuading them to contribute towards various war loan funds. It is here that a delicate ground has to be trodden. It is a most difficult job to induce an ignorant country bloke to realise the benefits of contributing to a war fund, because attempts in this direction are regarded with suspicion and likely to be mistaken for coercion.

The Agricultural Co-operative Organization is making strides in the marketing field as well during the war. The opening of Co-opera-

tive Commission shops in almost all the important markets and the appointment of an Assistant Registrar (Marketing) and the subordinate staff can nullify the machinations of the non-agriculturist marketing community which used to force down prices by the worst sort of collusion.

There is also a possibility of the State buying the stocks of wheat and other food grains with a view to stabilising the prices. The Agricultural Co-operative Organization is even called upon to shoulder this responsibility. This is, however, a novel experiment suggestive of Socialism and likely to open up a new chapter in the history of economic life of the country.

Without the Co-operative Movement, there would be no real order but that imposed by the compulsion of power, in other words, the eternal jungle, more or less policed.

—Dr. Ruff.

CO-OPERATIVE STORES AND WORKING CLASSES

By

K. C. RAMAKRISHNAN,

University of Madras.

The consumers' movement was an offspring of the Industrial Revolution. The early co-operative stores in England were, like the trade unions, organised a hundred years back by industrial workers as a protest against the evils of the factory system. They received miserable wages for long hours of work, and often the wages had to be spent in the truck shops kept by employers. They organised themselves as wage-earners in trade unions and as wage-spenders in co-operative stores. The Government passed laws against combinations, but it could not deprive the workers of the power to purchase their food and clothing where they liked. Robert Owen preached to the workers: "You must be your own merchants and your own manufacturers....to be able to supply yourselves with goods of the best quality and at the lowest price."

The members of the early stores including Rochdale purchased and sold groceries to themselves with the object of not only freeing themselves from the evils of truck, but also of saving in the process enough capital to build up industries or buy farms wherein the members could be employed, to establish what they called "a self-supporting home colony of united interests." This ideal of self-employment in factory or on land and the control of production by worker-members had to be given up, but not without a good deal of trial and error. It was discovered in course of time that industry, if not agriculture, should be organised on the basis of 'production for use', i.e., from the point of view of workers and others as consumers, instead of 'production for profit' under the control, and in the interest, of workers as producers. Since this discovery of the consumer's role the movement has achieved stupendous results in the area it covers and the population it serves in all industrially advanced countries of Europe, in the multiplicity of goods and services it offers and the standards of quality it has set up even for poor consumers.

This emphasis on consumers' point of view meant that the movement must be open to men and women of all classes, and not merely to

those of the working class. "It is a new social order, in which the economic division between capitalist and worker has ceased to exist." After the first flush of idealism, the leaders of labour and of co-operation in Britain were not so keen on revolutionising the prevailing economic order as on fitting the working class into it and using co-operation as "an effective means of reconciling private interest with the public good". Co-operation came to be defined simply as a 'method of trading' open to all, whatever their social or political views. There was in fact a disinclination even in 1913 to secure a closer union between the co-operative movement and the forces of organised labour in the political field. Association with the Labour Party was agreed to by the Co-operative Congress only twenty years back, after the unfair treatment meted to the stores during the last war by the Government.

In spite of all these attempts to refute the century-old notion of leaders like Dr. Wm. King that "Co-operation is a subject entirely for the working classes. The rich have nothing to do with it," the membership of the co-operative movement in Great Britain was declared by Mr. and Mrs. Webb twenty years ago to be "still overwhelmingly working class in character". There was just a sprinkling of the middle class—"the black-coated proletariat," composed of clerks, teachers, minor officials and junior professionals in towns where retail shop-keeping was still in the hands of small traders while the old established co-operative with a number of branches and an imposing central premises dominated the whole area.

A member of the recent American Inquiry on Co-operative Enterprise in Europe (1937) observed: "European consumer co-operation is characteristically a class movement. . . . No small amount of the loyalty of members is the result of their devotion to it as an instrument to improve their position in the class struggle. . . With all society stratified, as it is in Europe, it is not strange that people of the 'upper classes' avoid the workers' store". In several countries in Europe the stores were openly aligned with Socialist politics and contributed funds to them, and co-operation was viewed as the economic agency of the Socialist State. It is only in Scandinavian countries and in Switzerland that the movement had begun to attract the middle class, who did not have much conviction in the superiority of co-operation but resorted to it as a matter of convenience.

In the United States the membership of most of the urban stores is made up of "middle class folks most of whom are probably not labour conscious, with a mixture of intellectuals and idealists who are enthusiasts for labour unionism". It is seriously doubted if consumer

co-operatives will develop very much in a country with the size and heterogeneity of population as the United States, where retail distribution by chain-stores and mail-order houses is far more efficient than in Europe, while the industrial and farm-workers are more mobile and are as keen as professionals on adding dollars to their income as on making small incomes go as far as possible in supplying needs or building up family savings. Individualism, having been long supported by public policy and tradition, is still rampant in the United States and there are few who believe that "Consumers' co-operation is a highway to Utopia" among working class leaders. The decision of one man is enough to build up an individual enterprise. But a co-operative organisation involves the spread of enthusiasm among a large number.

In India co-operation is not so much a faith or a movement as a State policy. The Government inaugurated co-operative credit, nearly forty years back, essentially for the benefit of agriculturists. It is surprising that Civil Servants coming from Britain, "the cradle of consumers' co-operation", should have not only made no provision at first, but evinced so little interest even later in the stores for the benefit of the growing number of industrial workers in India. At an early Conference of the Registrars of Co-operative Societies the idea of stores in villages and even in smaller towns was ruled out. It was suggested that stores should be developed only in the larger towns where the cost of living was too high for wage-earners; but 'they must stand on their own strength' without much official supervision and assistance. They were to avoid speculation in any form such as cornering grain for sale at a higher price in a distant market, and they were to sell at market price 'thereby minimising competition with the legitimate trader.' This exhibition of needless nervousness shows how far removed the Civilians in India were from the British working class leaders who had the vision of a co-operative commonwealth where all private profit would be abolished and all means of production would be owned by associations of consumers organised as a state, municipality or co-operative society.

In spite of this lack of encouragement and even statutory provision for store societies, a number of them were organised by middle class intellectuals in some cities and larger towns of South India and they were obliged to tack on a credit section in order to get registered under the Co-operative (Credit) Societies Act of 1904. After the Act was amended in 1912 providing for independent store societies, there were not many additions for some years. It was the abnormal rise in prices after the termination of the last war that led to the organisation of a number of

stores in urban and even rural areas in Madras and some other provinces by co-operative officials as well as non-officials. Many of these stores had to be wound up one after another with the fall in prices even before the economic depression set in, though this accelerated the pace of decline. Most of the earlier stores founded and run by non-officials survived, and they have been steadily, though slowly, growing. But membership in most of them has been practically confined to the middle-class with just a sprinkling of the richer gentry.

Though predominantly middle-class these stores have never shut out the working class from membership. A share is generally five rupees, which can be paid in five instalments if an applicant is unable to pay it in one lump sum. In fact the lower middle class, constituting the majority of members of our store societies, is not economically as well off as the organised working class members forming the backbone of the movement in Great Britain. Many of our store members are by no means intellectually inferior, and are in fact more educated than most members of British co-operative stores. There is no lack of intellectual appreciation of the high principles and the cosmopolitan character of consumers' co-operation. There is often an expression of sympathy with the lot of the working class, but it is not sustained or vigorous; indeed it grows feeble in the midst of aspirations of many a middle class man to rise higher in the social scale and the fear of slipping down to a lower level.

The economic condition of the working class in this country is far too wretched for comparison with that of any industrial country at present, or even perhaps of the members of early co-operative stores in Britain. The workers in the larger textile and other mills have no doubt a steadier and bigger income than the unorganised workers, but it is in most cases too low to meet the cost of living in urban areas, even according to Indian standards, and many are therefore indebted to the merchant or moneylender. They cannot be good customers in middle class stores, which insist on payment of cash for all purchases, even if the latter undertake to stock the definitely inferior grades of goods which alone they can unfortunately afford to purchase out of their meagre income. The practical difficulties involved in the buying and selling of different grades of commodities to suit different classes of members in a country where markets are so unorganised and the grading of goods by any acceptable authority is yet in an experimental stage and most of the articles are sold loose, can be fully appreciated only by those who have some experience of the administration of store societies.

The Department of Co-operation in Madras has been advising the middle-class stores, already in the field for a number of years, to extend a

helping hand to the working class people not only by selling goods to them but by admitting them as 'B class members', each paying a nominal share capital (of even as low as eight annas) but without the right to vote at meetings or stand for election to the board of management. This could not appeal to co-operators—to have an inferior class of members who could not aspire for a place in the management nor even exercise the vote in favour of a representative or director to voice their views in the meeting of the general body or the board of directors. Meanwhile, the spread of the war to the Eastern countries threatened to create a critical situation in respect of the supply of essential foodstuffs to the people. The Government feared, even at the outbreak of the war, a scarcity of supplies in the country and consequent profiteering by merchants at the expense of the poor consumers even if prices were controlled. There was a departmental drive in Madras to organise a number of stores in urban and rural areas with the result that the total number of stores in the Presidency quadrupled in the course of two years (1939-41). And the Registrar remarked with gusto that "if profiteering had continued the number and business of co-operative stores would have increased by leaps and bounds." As a matter of fact, however, several of these stores have had very little business, and some of the best advertised among them have been already closed, in spite of tremendous efforts made to build the new structure—often top-down, creating a district wholesale and then organising a number of primary societies and providing easy credit from the central bank.

There are, however, some stores in the mofussil which have taken root, but it is not known how far the working classes in town and country have benefited by them. Most of them are too poor and too little credit-worthy to have made much use of the stores. No doubt in a period of emergency, when private shop-keepers close their door or demand excessive prices, the stores are bound to be popular even with the working classes if only they can pay cash. Many of the casual labourers cannot get goods on credit; they can buy only in small doses each day or twice or thrice a week. Such buying involves losses of 10 to 25 per cent, compared with buying in bulk once a month or a fortnight. The retailer takes a heavier toll for the slower turnover, unlike a co-operative store.

The T.U.C.S.* has, at the invitation and with the aid of the Government, undertaken since the beginning of this year to cater to a much larger public than its 7,000 members, who with their families would constitute not more than 5 per cent of the population of the Madras city, almost all belonging to the middle class. Thirty new depots have been

*The Triplicane Urban Co-operative Society Ltd., Madras.

opened in parts of the city not served by the 30 branches of the Society. Sales have been thrown open to non-members in branches as well as in depots. Articles and grades of articles in great demand by the poor have been purchased and sold along with those that have always been demanded by members. There is no doubt, judging by the volume of sales of certain commodities in the last six months that the poorer classes have benefited by this new service of the premier store, especially after the emergency that arose in April last when most of the private shops were closed and the rest went on profiteering while the T.U.C.S. charged only the prices fixed by the Prices Advisory Committee for essential articles. If the new customers of the T.U.C.S. discover that they had been previously paying too high prices for the inferior articles they had been buying in small quantities, especially for credit, and realise that they stand to gain by buying their requirements in a co-operative store, it will be a great gain to the consumers' movement.

If the workers in one factory or the Corporation or the railway company organised a store society of their own it would be easier for the T.U.C.S. to supply them goods at wholesale rates. If several such societies of working classes were organised in the Presidency, they might think of a wholesale of their own in due course. There are in fact isolated stores all over the country, each of persons belonging to one establishment. Not all of them are registered under the Co-operative Societies Act, though they may be called 'co-operative' and may be run on co-operative lines in many respects, while those registered under the Act are not in all respects really co-operative. These societies whose membership is not open to any but employees of particular establishments may be expected to grow strong and become stable after some years on account of the spirit of solidarity developed among co-workers, as the Army and Navy Stores, Civil Service Stores, Railway Stores, etc. have grown in many countries in Europe. A great advantage from the business point of view, even if it is not co-operative, is that the members of such a society are permitted to buy their requirements on credit up to some percentage of their wages or salary on their authorising the pay-disbursing officer to deduct their dues to the society from their wages or salary. But such a system of credit weakens the sense of responsibility of many members and they feel more obliged than willing to continue to buy from the society because of credit facilities, even if prices are put up and quality of goods leaves much to be desired. Complaints against defects of administration of the society cannot be strong or effective when members face some of their official superiors on the board of management. Subservience to the employers is bound to be greater where they supply part of the working capital, provide rent-free build-

ings and transport facilities free or at reduced rates. The worst abuse met with in such societies is the practice of imprudent or intemperate employees to buy goods up to the limit of their credit and sell them away to non-members and even shop-keepers at lower prices, just to get some cash for the day's indulgence.

The Madras Southern Mahratta Railway 'Co-operative' Society, established as early as 1878, had to wind up its business a few years back though it had more than 7,000 members and a paid-up share capital of Rs. 1,31,000 and total sales of Rs. 55,000 on an average per month in the head-office at Madras and the ten branches scattered all over the line. Some of the abuses pointed out above were found in this society but the immediate causes of failure are not known to us. There was a desire expressed at General Body meetings to have the Society registered under the Co-operative Act, but it was not accepted by the authorities. The South Indian Railway Co-operative Stores Society was established in 1908, but not under the Co-operative Societies Act of 1904, as there was no provision for store society in that Act. But even later it has not been converted. It has its head-office at Trichinopoly and 17 branches all over the line. It has a membership of 7,200 and a paid-up share capital of Rs. 1,31,550. It had sales of about Rs. 56,000 per month in 1940-41. It was Rs. 60,000 previously, the fall being due to the decline in the arrival and sale of "European stores". In fact all the railway stores seemed to command greater sales of European stores than the "country stores" in demand among Indian members. The department of wines and spirits in the S. I. R. Co-operative Stores accounted for 12 per cent of total sales. On the other hand menial workers in the railway who get no fixed pay and have no provident fund are not eligible to the privilege of membership of the store. The Mysore Railway Co-operative Stores Society was obliged to close its doors a few years back, it is said, on account of heavy credit sales, amateurish and top-heavy management. The best known of the railway stores functioning under the Co-operative Societies Act is the B.B. & C.I. Ry. Stores with its head-office at Ajmer and branches in Bombay. It has about 2,000 members and sales of Rs. 2 lakhs per year. It is claimed that at Ajmer it is such a force in the market that its prices control the market. But the best of railway stores does not cater to the needs of the working class in particular, as it is a cross section of all ranks of men employed in the company. This is perhaps a necessity in the case of railway stores, as employees are scattered, some of them far from the reach of good private shops.

Some textile and other mills have been running stores, each for the workers of a particular mill, frankly under employers' control and with

their financial and other aid but with no thought of making any profit out of the business, being content with a small margin to maintain the establishment. The Buckingham and Carnatic Mills in Madras have been running a big store from 1922 for the benefit of their workers. Food-stuffs, clothing and toilet articles are sold to the extent of more than a lakh of rupees per month on a system of credit up to a high percentage of accrued wages, though only for permanent hands. Some goods are sold at less than market price, often 25 per cent less it is said. A few representatives of workers are also consulted in the selection of goods. But the management of the stores is in the hands of the company's superior employees nominated for the purpose. Even the labour union composed exclusively of the workers of the B. & C. Mills wanted to get it registered under the Co-operative Societies Act, which would do away with the paternal character of the stores and give the workers a real voice in the management. But it has not been permitted by the management either because of the fear of its collapse or the loss of control. Some other mills in India have also been running similar stores though not with so much aid and to so much material advantage of the workers. Some of them might degenerate into truck shops.

The Department of Co-operation in Madras, therefore, did well in organising recently a number of co-operative stores for mill workers though each is confined to workers in a particular mill—especially in Madura and Coimbatore, where there are 30 such stores, some of which were visited by the writer of this paper last summer. By far the biggest of them is the Store Society catering to the workers of the Madura Mills. There were nearly 6,000 members with a paid-up share capital of Rs. 50,000 and monthly sales of Rs. 50,000. The Company has not only placed a very spacious building at the service of the society for a nominal rent of Re. 1 per month but also granted loans to the tune of Rs. 80,000 at 4 per cent interest, and what is more, it has given subsidies to the extent of Rs. 1 lakh, the principal object of which is to enable the society to sell provisions at less than cost price, in fact at pre-war prices. The society did not suffer any loss at first, because of favourable purchases made prior to the rise in prices. The members got even a rebate of one anna per rupee of purchases. But the loss began from August 1941 and the Company had to make good the loss by a subsidy of Rs. 50,000. And still the selling price is said to be below market price by 4 annas in the rupee as regards some essential articles. The Society was looking forward to a continuance of the benign employers' subsidy.

Sale at market price and dividend on purchase at the end of a half-year is undoubtedly a better business rule as well as co-operative principle

--though the more impecunious members might not care so much for a distant dividend as for immediate relief. But members earning regular wages must be educated to it--'the art of saving in spending'. Besides sale at less than market price is liable to be abused and the goods may be passed on to non-members and even private shops, which is a frustration of the aim of the store to benefit workers.

The mill workers' stores in Coimbatore are smaller, even as the mills there are much smaller than the 'Madura mills'; and each mill is expected to have a separate store for its workers in or near the mill compound. Not only is the building given rent-free by the management, but some working capital is also advanced to supplement the paid-up share capital and to set off any loss accruing from the sale of goods at less than market price. The worker members appreciate this concession at a time of soaring prices; and they are eager to buy large quantities of rice, jaggery, sugar, coffee seeds, etc., which are all sold at less than market price. The mill stores in Coimbatore are more loyal to their Central Co-operative Stores in purchasing their requirements than the Madura Mill Store has been towards its central institution, the Madura Ramnad Co-operative Wholesale. Loyalty is perhaps a virtue of necessity in the case of smaller units. The management of each of the mill stores in Coimbatore is largely in the hands of the employers or their nominees and the board of directors of the Central Stores is more representative of the employers than the employees of mills. On the whole there is, at present, too much of patronage and control by the employers, though the ultimate aim is perhaps to democratise the administration of stores. This is not easy until the need for credit facilities ceases to be felt; and this cannot happen until wages are raised considerably—at least to the level of the salaries of the lower middle class. It may then be possible to amalgamate the different small units of separate mill stores into one large and powerful urban store as in industrially advanced countries.

Consumers' Co-operation alone regards the human being and his needs as the basis of the whole economic system, its driving force and goal. It therefore invests the individual, in his capacity as a consumer, with the supreme right of decision.

—Anders Oerne.

THE PLACE OF CO-OPERATIVE ORGANISATIONS IN THE WAR AND POST-WAR ECONOMY

Plan for an enquiry by International Labour Office, Montreal.

LETTER TO THE PRESIDENT, ALL-INDIA CO-OPERATIVE INSTITUTES' ASSOCIATION.

Dear Mr. Ramadas Pantulu,

I have not written to you for a long while now, and when I last saw you at the International Co-operative Congress we were living in happier times.

Co-operators all over the world are still awaiting better times, and those in a position to think and act are trying to prepare the way for these better times.

Although I can imagine your present difficulties and realise how great and how numerous are the calls on your time, I do not hesitate to appeal to your devotion to co-operation, and to have recourse both to your experience and to your authority in the following matter.

As the enclosed documents will show, the International Labour Office is starting an Enquiry for the purpose of defining the place of co-operation in the war and post-war economy. The Indian co-operative movement, of course, should have its say in such an enquiry, and that is the reason why I am writing to you, as President of the All-India Co-operative Institutes' Association.

While I am asking the head of our Indian Branch, Mr. P. P. Pillai, of New Delhi, to send questionnaires to the interested Registrars of co-operative societies, I am also forwarding the same questionnaire direct to the organisations mentioned in the enclosed list.* Several of the questionnaires will probably reach you separately, at the Indian Provincial Co-operative Banks' Association, The Madras Provincial Co-operative Bank, the Madras Provincial Co-operative Union, etc.

The contribution which I venture to request from you is two-fold; not only the collection of information will be greatly enriched by the expression of your personal views and experience, and by the replies to be prepared by the organisations for which you are directly responsible; but it will also benefit by your authority as leader of the All-Indian Co-operative Movement and as its international representative. We would appreciate it if you would kindly take the necessary steps to encourage those responsible in the various organisations in the different Provinces and States to give a full and early reply to the questionnaire. Should you feel that the questionnaire should be sent to more organisations than those mentioned in the list, I would be grateful if you would kindly do so, and for this purpose, I am enclosing a few extra copies.

I know I am leaning rather heavily on you, but it is for a good cause, and I am confident that I can count on your kind collaboration, for which please accept my sincere thanks in advance.

With kind regards,

I am,
Yours sincerely,
M. COLOMBAIN.

*Copies of the questionnaire were sent to twenty institutions, of which 9 are Provincial Co-operative Banks and 10 are Provincial Co-operative Institutes, besides the two All-India Co-operative Associations,

CIRCULAR LETTER FROM INTERNATIONAL LABOUR OFFICE

Dear Sir,

One of the outstanding features of the Conference of the International Labour Organisation held in New York and Washington, in October-November 1941, was undoubtedly the adoption of a resolution on post-war emergency and reconstruction measures.

After placing on record the general recognition that the International Labour Organisation was peculiarly fitted to play an important role in the work of preparing for post-war emergency, and in laying the foundations on which post-war reconstruction should build, the resolution indicated in general terms the nature of the role thus assigned to the International Labour Organisation. It also outlined the network of multifarious forms of assistance which will be necessary for the fulfilment of those duties by the Organisation.

At its recent session the Emergency Committee of the Governing Body of the I.L.O. implemented the resolution and defined more precisely the task entrusted to the Organisation, as well as the conditions under which this task can be achieved.

In this respect due account was taken of the clause of the resolution referring to "agencies whose present activities in the social and economic field affect the conditions under which post-war programmes will be carried out", and the Emergency Committee authorised the International Labour Office to establish the necessary contacts for collaboration with such agencies.

For those who have watched the steady and impressive development of co-operative organisations in the course of the last 20 odd years, there is no doubt that those organisations, by reason both of their achievements and of the principles and methods which they embody, are peculiarly fitted to contribute to the preparation and carrying out of definite parts of post-war programmes. It has, therefore, been decided to have recourse once more to their collaboration, the readiness and value of which have been appreciated on many occasions by the International Labour Office.

Please find enclosed an outline of some of the problems, for which the International Labour Office feels that data supplied by Co-operative organisations are most needed at the present time.

Hoping to receive a reply at your earliest convenience, and thanking you in advance for your kind collaboration,

I am,
Yours sincerely,
M. COLOMBAIN.
Chief of the Co-operation Service.

PRELIMINARY REMARKS

The main object of the enquiry is to collect facts and figures which may gauge the contribution that Co-operative organisations can give to the solution of the

immediate post-war problems, as well as to the planning and execution of long-term reconstruction measures. In the following outline of the problems involved, the questions in part III refer directly to that object.

As it is generally assumed that social and economic institutions and procedure of the post-war period may, in some cases and in some measure, resemble those of the war period, part II aims at defining the place which co-operative organisations occupy in the wartime economic life of their respective countries, and their participation in the measures of economic and social organisation taken by public authorities.

As the responsibilities that may be assumed by co-operative organisations in post-war efforts obviously depend on their present and future state of development, on their functions, on the number of countries covered by the movement, etc. part I, will serve to collect such data, and to show the trend of co-operative development in the course of recent years.

The list of questions below may appear unusually long, but this results from the importance of the enquiry. It will be observed, however, that some questions concern particular types of co-operative organisations in certain countries, while others interest other groups of co-operative organisations in the same or in other countries. It has been thought that a general view of the whole set of questions would enable each organisation to gain a better general idea of the enquiry as a whole and to understand correctly the exact scope and meaning of the questions it is expected to answer.

At the same time the list of questions is not intended to be exhaustive, and any relevant data will be welcome, even if not covered by any of the items listed.

Each question below bears a different number. In replying there will be no necessity to repeat the question, provided that each reply has the appropriate number.

In view of the urgency of the action to be taken as a result of this enquiry, it is hoped that the co-operative organisations, in spite of the burden of their present tasks, will offer full and speedy collaboration, and reply as soon as they possibly can. From distant countries, replies by air mail will be greatly appreciated.

OUTLINE OF PROBLEMS

I. CO-OPERATIVE ORGANISATION IN GENERAL.

A. Most recent numerical data.

1. Number of your affiliated societies.
2. Number of their members.
3. Amount of trade by the affiliated societies.
4. Amount of trade by their central organisation.
5. Value of own production of affiliated societies.
6. Value and nature of the central organisation's own production.
7. For the sake of comparison, it would be extremely useful if the figures under 1 and 2 could be given say for 1911, 1921, 1931 and 1941

8. Comparisons for the data under 3, 4, 5 and 6 would give more correct results if the figures supplied for the selected years refer to volume as well as to value.

B. Specific Actions Undertaken.

9. What action has your organisation been able to take to counteract monopolistic practices and monopolistic prices? And with what results?
10. Please supply facts (or disinterested testimonials) showing that co-operative activities as such, independently of, or in conjunction with other influences, have been instrumental in raising the standard of living of co-operative members or of low income families in general.

In particular, give instances where a definite price policy on the part of co-operative organisations has increased or contributed to increase the demand for, and the production of, certain goods and, in consequence employment in the corresponding branches of industry.

Other measures adopted by co-operative organisations to combat unemployment.

11. Besides their basic activities, what action has been taken by your organisation, and/or your affiliated societies in order to improve the welfare and the "social security" of the individual households? —(in such matters as hygiene, health, insurance, holidays, recreation, adult education, etc.)?

II. CO-OPERATIVE ORGANISATIONS IN WAR ECONOMY

A. Part Played in Economic Life

12. What percentage of the total national trade (in value or in volume, or in terms of people catered for), is covered by your organisation, and by its affiliated societies, in the commodities they are handling (marketing, producing, or distributing)?

B. Special Initiatives Taken.

13. Please state the initiatives taken by your organisation or its affiliated societies in the interest of the community at large, e.g., building up reserves of supplies, rationing, conservation of essential materials, price ceilings, production of new commodities, research, action and education in the field of better nutrition, application to public authorities for the stabilising of prices of basic commodities in the interest of families with low incomes, etc.

C. Part Played in Economic Organisation of the Country.

14. Among the measures actually taken by the public authorities regarding the organisation, or regulation of the production, and distribution of commodities, please state those with which co-operative organisations have most directly been associated, and analyse briefly the most important of these measures.¹ The following types are mentioned by way of example:

1. Give also the exact references (full title and date) to the texts of the laws and regulations under which the measures analysed have been adopted and are enforced.

- (a) Price regulation;
 - (b) Development (or restriction on the development) of certain branches of production, in both the manufacturing and the agricultural fields and trade;
 - (c) Rationing;
 - (d) Encouragement and support given to orderly marketing;
 - (e) Collection and storage, or shipment and distribution of supplies for the Armed Forces and other needs arising out of the war;
 - (f) Committees or boards for conducting researches or enquiries to assist the public authorities in the economic field by supplying information, or for collaborating in carrying out, or supervising the measures adopted;
 - (g) Various bodies (in the form of companies, boards, offices, etc.) with wide powers of organisation or regulation; or commercial functions, or both, as regards the production or marketing or distribution of a particular commodity or series of commodities, with or without special privileges (privileges in regard to import trade, export trade, price fixing, tax collection, etc.).
15. Have the co-operative organisations been called upon to participate:
- (a) In framing those measures? If so, in what form?
 - (b) In carrying out or supervising those measures? If so, by representation on the committees or bodies set up?² Or by the attribution of public utility functions outside the normal scope of their own activities? Or in any other way?

III. CO-OPERATION AND POST-WAR PROBLEMS.

A. Immediate Problems (Relief Activities).

16. What assistance could you give in forecasting the probable structure of consumer and producer demand in the early stages of the post-war period?

Or in evaluating, at a given time, the surplus of commodities which could be made available to distressed countries or areas?

17. How far, and on what preliminary conditions, if any, could you; as a central organisation and your affiliated societies, as regional or local organisations, deal with the following problems:

- (a) Producing, assembling, shipping goods to distressed areas.
- (b) Distribution of food, clothing, household requirements.
- (c) Distribution of agricultural requirements (feed, seeds, manures, implements, livestock renewal etc.).
- (d) Medical aid.

(State, if possible, the total capacity of your storage facilities, the number of shops and other distributing centres at your disposal, in how many

2. Mention also cases in which co-operators have been appointed to such bodies in their personal and not their representative capacity.

towns, cities villages. Indicate also what can be learned by experience, if any during the post-war period of 1918-1920).

B. Long-term Reconstruction Measures.

18. What definite responsibilities are you prepared to assume, or what kind of contribution are you in a position to offer in any scheme for the development of the national or international economy?

Specify any action under this heading which would involve national or or international collaboration between co-operative organisations of the same or of different types.

C. Questions Common to Both the Above Phases.

19. Define your attitude towards continuance for some of:

- (a) Rationing.
- (b) State control of raw materials.
- (c) State control of stocks.
- (d) State control of prices.
- (e) State control of home trade.
- (f) State regulation of international trade.

20. Has any committee been set up within your organisation, or in collaboration with other co-operative organisations of your country, for the study of post-war problems?

21. Is your organisation represented in, or consulted by, a governmental agency engaged in the study of the social and economic needs of the post-war world?

Or, is there any other way in which co-operative experience and principles find expression in such an agency?

SPECIAL NOTICE

For the Central Organisations of Co-operative Credit Societies.

The enclosed outline for the enquiry conducted by the International Labour Office is distributed to Central Organisations of co-operative credit societies:

- (a) because it will help them to gain a general view of the enquiry;
- (b) because it is important to know what part co-operative credit organisations can play in the solution of post-war problems;
- (c) because the outline contains a number of questions to which co-operative credit organisations can supply a useful answer.

It is obvious, however, that certain questions will have to be adapted to the special nature of co-operative credit organisations. For instance, questions under 3, 4, 5 and 6 should be substituted or supplemented by the following:

Total of balance sheet of the central organisations, and total of the balance sheets of the local societies;

General turnover (on both sides of the ledger) of the central organisation and of the local societies;

and also, whenever possible, by the following:

Amount of savings collected by the central organisation and by the local societies;

Amount of loans granted, and of bills discounted by the Central Organisation, and by the local societies.

CO-OPERATIVE CONFERENCES AND MEETINGS

THE TWELFTH LAND MORTGAGE BANKS' CONFERENCE, MADRAS, 3-1-1942.

Extracts from the Presidential address by Sri T. A. Ramalingam Chettiar, M.L.C., President, Madras Co-operative Central Land Mortgage Bank, Ltd.

All co-operative institutions showed greater activity during the year. The closing of foreign markets for some goods made it necessary to find local for the same. Money market was easy and so it was possible to expand our activities in every way. If this opportunity is taken and the movement is organised on proper lines there will be a substantial advance of a permanent character in co-operative activity. For this, care should be taken to encourage local initiative and induce local enthusiasm so that the institutions formed are strengthened and will have real vitality and work satisfactorily. Care should also be taken not to organise institutions at departmental dictation and have dummy committees for management which will be the surest way to disaster later on.

The Land Mortgage Banks have had a smooth time during the year. As usual, they have met all their demands to the Central Land Mortgage Bank without leaving any arrears. But in the banks themselves there have been arrears amounting in all on 30th June 1941 to Rs. 1,73,000 in all the banks put together. This was mainly due to the fact that loans were closed and the whole of the balance due was asked to be returned in a large number of cases due to alienations made by borrowers without the sanction of the primary banks and the Central Land Mortgage Bank.

While in the interest of the bank this rule is necessary I think it is essential, if people are to be helped or our transactions be conducted satisfactorily, that we should make provision for the grant of a second loan for legitimate purposes to those who have mortgaged their properties to the Land Mortgage Banks. While there is provision for giving second loans for land improvement or for purchase of land to round off a holding, there is no provision for advancing loans for other necessary purposes. The bank is conscious of the difficulties to which the borrowers are put by the enforcement of the conditions under which mortgages are taken. This is an important matter which requires urgent solution.

The transactions of last year have decreased to Rs. 40,77,160 from Rs. 42,81,940 in the previous year. In the current year there has been a further substantial reduction in the loans taken. This decrease is due to two reasons, (1) the stoppage of loans above Rs. 5,000, and (2) the increase in the rate of interest charged to the borrowers.

In 1938 the rate of interest charged to the ultimate borrower was raised from 5 per cent. to 5½ per cent. as the Government insisted on a 2½ per cent. margin between the borrowing rate of the Central Bank and the lending rate to the borrower. It was raised to 6 per cent. in February 1939, as the bank had to increase the borrowing rate to 3½ per cent. In March 1941 it was again raised to 6½ per cent. as the Government insisted that the margin should be raised to 3 per cent. The idea of the Government in insisting on this margin is that the bank should build up a strong reserve in as short a time as possible, so that it may be in a position to raise its debentures in the market on fair terms without Government guarantee. The bank has been always trying to build up a strong reserve and it has been making provision for all sorts of contingencies without Government insisting on it. In the opinion of the Board, the increase in the rate of interest is not necessary and is

likely to deter persons from taking advantage of the Land Mortgage Banks and will throw them into the arms of money-lenders with all the attendant evils.

The question of the employment and the conditions of service of the staff of the banks is another matter which is coming up constantly before the Registrar and before me as President of the Central Land Mortgage Bank. I am personally against interference in the internal management of institutions by an outside authority. The framing of proper rules with regard to qualifications, scales of pay, etc., may help to solve the difficulties to a large extent. But at the same time, in cases where these are not enough, some method by which things can be rectified, has to be found.

There is no difficulty to find the necessary funds for the purpose of loans for improvement of lands and the raising of gardens etc., from the resources of the Central Bank itself for some time to come. If there is a large increase in this line of work. It will not be difficult to find the necessary funds by floating debentures for short periods. I hope the banks will take up this work with enthusiasm and try to help enterprising land-holders in every way.

Extracts from the opening address by T. Austin Esq., C.I.E., I.C.S., Adviser to His Excellency the Governor of Madras.

The most important problem before the Central Land Mortgage Bank has been and still is to make its debentures popular with long term investors (e.g. insurance companies), to see them quoted regularly and favourably on the Stock Exchange and, as a natural corollary, to dispense with the Government guarantee. There is no doubt that the guarantee by the Government of the principal and of the interest on these debentures, combined with careful management, has already earned for the Bank a good reputation in the money market. But, obviously, the sooner you can dispense with the Government guarantee the better and the way to do this is for the Bank to be financially so strong that there will be great confidence in it by the investing public. Another way to put this is that the owned capital of the Bank must reach a certain figure—the Reserve Bank of India has put this figure at, at least, one tenth of its deposit liabilities. In this connection I emphasise, as Mr. Hood said last year that the primary consideration must be the stability of the financing bank and that the question, when discussing the interest rates, was not so much at what rate the ryot could conveniently pay, but rather at what rate the bank could safely lend. In spite of some opposition at the beginning, the Bank from March last increased its lending rate to primary banks and the percentage of net profits to be carried yearly to the Reserve Fund. These measures with others such as the maintenance of separate sinking funds for the repayment of each series of debenture on maturity and the limitation of dividend on share capital to 1 per cent above the debenture rate, will undoubtedly increase the owned capital much more rapidly than in the past. This is and always was in my opinion, most important even though the rise in lending rates may not be welcome to the ryots. Naturally people want to borrow as cheaply as possible, but it is not necessary for me to tell you what happens to a bank that is not stable and based on firm foundations. I advise you to make quite sure that a considerable number of people are being deterred, by the rise in interest rates, from borrowing from the Land Mortgage Banks before you decide that this increase is unnecessary.

Arising out of this is the question as to how long the Government need continue to guarantee the debentures; obviously premature withdrawal will cause a set back to the progress of the Bank, but it should be possible to fix an approximate period within which the Bank may be expected so to stabilise itself as no longer to

need the guarantee. The Reserve Bank has suggested that Government guarantee should not be increased beyond five crores: Government, of course, having regard to all their liabilities, cannot on their part increase this guarantee indefinitely. As I have already said, the Bank should consider its position strong enough to hold public confidence when its owned capital exceeds one-tenth of its deposit liabilities. Judging from the progress made so far and taking into consideration the steps recently taken, it is expected that this standard will be reached in eight years. It may be sooner or it may be later, but it is up to the Bank to reach this position as soon as possible because it cannot expect the Government guarantee to continue for ever.

I wish to sound a note of caution in your plans to give loans for land improvement, for which new venture you have framed separate rules. This is a big business and it behoves the Bank, especially when Government is in the field, to move slowly and cautiously, and to have the closest co-ordination with the other Government Departments concerned, especially the Agricultural Department. The Land Mortgage Banks have not the machinery for examining schemes for agricultural improvement, for instance, or for supervising their execution.

I remember in my time, discussions over the issue of further loans to members when a portion of an original loan had been discharged. The loan was fixed at an amount which should enable the borrower, after having liquidated his debts, to pay the interest on the loan and at the same time to live within his means. It was hoped, I remember, that the borrower would not incur fresh liabilities and plunge into debt again. The principle was accepted that second loans should therefore be discouraged except in abnormal circumstances, e.g., famine, a cyclone or a flood; you, Sir, have made out a case for adding to these abnormal events such specific objects as would be covered by the phrase: "land improvements" and other necessary purpose; this again requires caution in estimating repaying capacity.

A remarkable point in the distribution of loans is their concentration in 2 or 3 areas: for instance out of 41 lakhs lent in 1940-41, 17 lakhs went to the Circars, 8 lakhs to Coimbatore, Salem, Trichinopoly and the Nilgiris and 7 lakhs to Tanjore and the Southern Tamil districts. Chingleput and the two Arcots got 5 lakhs the Ceded Districts got only 3 lakhs and the West Coast only 1 lakh. This seems to have been the case ever since the Bank started. I have tried to discover some reason for this. I am afraid the material is too scanty and the figures too uncertain for me to solve this conundrum; but I think it is worth studying.

There is another matter in which the Reserve Bank has suggested improvement, namely, in better co-ordination between the Land Mortgage Banks and other co-operative organisations. This, I remember, was discussed in my time—and I remind you of a recommendation made at a recent Registrars' Conference that if a man was a member both of a primary credit society and of a Land Mortgage Bank, the credit society should have a priority in respect of the first charge on the crop and the charge of the Land Mortgage Bank on the crop should be postponed to that extent. This question of co-ordination is very important and I commend it to your earnest consideration.

The following important resolutions, among others, were passed at the Conference:—

Sub:—Draft amendment to rule No. XXVI of the Co-operative Societies Act regarding representation of depositors on the Board of Management of financing banks.

Resolution:—"The Conference sees no valid reason for giving representation to depositors on the Committees of financing banks."

Sub:—Control of annual budgets of primary banks by the Central Land Mortgage Bank.

Resolution:—"In the opinion of the Conference, there is no need."

Sub:—Reduction in the rate of interest.

Resolution:—"The Government be requested to allow the bank to work with a margin of $2\frac{1}{2}$ per cent. between the borrowing rate and the rate charged to the ultimate borrower as before."

Sub:—Honorarium to Secretaries of primary banks.

Resolution:—"The Conference is not in favour of giving any honorarium."

Sub:—Appointment of Managers in primary banks.

Resolution:—"This should not be made obligatory in case of banks having transactions less than 3 lakhs."

Sub:—Second loans.

Resolution:—"Second loans ought to be given for necessary family expenses also. Where loans are borrowed for purposes for which second loans may be given, the discharge of debts borrowed for such purposes should be also for legitimate purposes."

Sub:—Bonus to staff of P. L. M. Bs.

Resolution:—"Resolved to request the Registrar to permit amendments to by-laws providing payment of bonus to the staff of L. M. Bs. out of their net profits not exceeding one month's salary."

Sub:—Encumbrance certificates:—extension of period of concession for taking E. Cs., up to block survey.

Resolution:—"This conference requests the Government to extend the period of concession for taking E. Cs., up to the block survey for the proper investigation of title to the lands offered as security."

Sub:—Amendment to L.M.B. Act.

Resolution:—"Provision is necessary to be made in the L.M.B., Act for staying execution in regard to loans to be discharged from a loan sanctioned by the C.L.M.B., at the instance of the borrower if he produces a certificate from the P.L.M.B."

THE XI COORG PROVINCIAL CO-OPERATIVE CONFERENCE, MERCARA 1ST MARCH 1942.

The XI Coorg Provincial Co-operative Conference was held on 1-3-'42 at the Mercara Central High School premises under the presidency of Dr. P. S. Lokanathan, M.A., D.Sc., Ag. Professor of Economics, Madras University. The Conference was opened by J. W. Pritchard Esq., I.C.S., Chief Commissioner of Coorg. Over 1,000 delegates of various societies and other visitors and almost all the heads of Government Departments including the Registrar of Co-operative Societies, Coorg, were present. The President of the Reception Committee Mr. P. G. Aiyappa, B.A., B.L., M.L.C., and the President of the Coorg Central Co-operative Bank, Ltd., Mr. P. I. Belliappa, while extending a warm welcome placed a succinct report on the working of the movement,

J. W. Pritchard Esq., I.C.S., Chief Commissioner of Coorg while declaring the Conference open laid stress on the working of marketing societies and appealed to the co-operators to patronise the newly started Orange Marketing Co-operative Society.

Mr. Ivor Bull, M.L.C., of the Consolidated Coffee Estates, Ltd., Pollibetta, addressed the gathering on the utility of the Orange Marketing Society and exhorted the orange growers to take the fullest advantage of the recent scheme of orange marketing by the Government of India.

About 29 resolutions were discussed and passed. An interesting feature of the Conference was that 50 ladies of whom the majority were the members of the Coorg Mahila Co-operative Samaj, Ltd., and 50 girl students and teachers of the local Girls' High School attended the Conference. An Agricultural and Industrial Exhibition and the stall of the Coorg Teachers' Co-operative Stores and the Honey and Wax Producers' Co-operative Society, Ltd., at the Conference pandal attracted several persons. The exhibition was opened by Sri K. T. Uthappa, B.A., Assistant Commissioner of Coorg. Prizes were awarded to the best exhibits at the show. Certificates and medals were awarded to the best societies and also secretaries in each of the 13 local Supervising Unions.

Extracts from the Presidential Address by Dr. P. S. Lokanathan.

In many ways co-operation in Coorg affords a pleasing contrast to its growth and working in most other parts of India. Your movement is a more balanced one; for although, as is but natural, the credit societies still predominate; there is a fair proportion of non-credit activities which supply the necessary corrective to the otherwise one-sided development of co-operation. The variety of your movement is illustrated by the successful working of societies like the loan and sale societies, grain banks, fruit marketing society, the honey and wax producers' society, milk supply society, the lantana eradication society the anti-malarial society and better-living societies. It is gratifying to note that nearly every village is now served by a co-operative society, and that over 65 per cent of the population have come under co-operative influence. I note with satisfaction that the percentage of collection of loans to demand is nearly 68, and that overdues are far less than in other parts of India. Equally gratifying is the increase in credit societies of the A and B classes and of an appreciable decline in the number of unsound societies. For a Province like yours with 1,30,000 acres and a population of 160,000, 325 societies of all kinds that you have are no insignificant number.

Of more than ordinary interest to co-operators outside Coorg are your famous grain banks which have been conferring great benefit on the poorer ryots. The number of such grain banks has increased during the year to 77, membership to 4,820 and working capital to nearly Rs. 60,000 calculated at the rate of Rs. 3 per batti. Rs. 43,200 worth of grain was granted as loans as against Rs. 34,949 last year. The rate of interest charged varies, I understand, from 12½ per cent to 20 per cent, and in view of the fact that the loans are properly secured, a further reduction in interest may perhaps be aimed at.

Far more is expected of the co-operative movement than is really possible. In the first place, co-operative credit societies were expected to solve the problem of rural indebtedness and for several years after their establishment they granted loans for the discharge of debt, little realising that the problem of rural debt was an

exceedingly complex one and that rural debt could not be solved by the ordinary type of village societies. These latter were condemned for failure to do the function for which they were hardly fitted. It has taken more than three decades for co-operators to realise that while the problem of indebtedness should be solved urgently, and if possible on co-operative lines, the agency for solving it should be quite different from the ordinary co-operative credit structure. Sir Frederic Nicholson undoubtedly set before the village banks a very high ideal, and the whole gamut of rural development was sought to be placed within the framework of the co-operative structure. But when the Co-operative Societies Act of 1904 was passed providing for the establishment of village societies on the Raiffeisen model, there was no intention that these societies should undertake the liquidation of indebtedness. Indeed it was the intention of the Act that the village societies should serve the short-term needs of the ryot and that his long-term needs should be met by other agencies. The urgency of liquidating his debt was recognised, but unfortunately no special agency was established for the purpose and the gap is being successfully filled only in Madras and Bombay in recent years.

I note that you have a scheme for enabling your Central Bank to advance long-term loans to the agriculturists. If you are able to attract long-term deposits for ten years and above and if the paid-up capital and reserve of your Central Bank constitute a high percentage of your total working funds, there can be no objection on principle to the Bank's undertaking this function. On the Continent of Europe the big commercial banks had been financing the long-term needs of industry with considerable success, and became investors in industries. But even there, it was felt that mixed banking carried with it certain dangers and that it would be better for ordinary banks to confine themselves to the financing of trade and to the working capital needs of industry. Similarly while as a temporary measure the Central Bank may be entrusted with this function, ultimately it may be desirable to leave long-term financing to a specialist institution like the land mortgage bank which should be separately organised.

I am glad to note that you have in Coorg a few societies organised for multi-purposes and I hope that you will watch their progress carefully. For while the desirability of increasing the range of activities of village societies is unquestioned, the danger of undertaking wider and more complex function without the necessary equipment in the shape of trained staff and sound leadership cannot be minimised. While I am, therefore, generally for multi-purpose societies, I cannot recommend any wholesale conversion of the present societies into multi-purpose societies, except where conditions are favourable for such conversion. For the losses in one or two lines of activity may ruin the entire structure. Further, there are circumstances where special agencies should be established for certain purposes. Marketing societies may have to be separately established for the financing and sale of special products. Your orange marketing society, your cardamom marketing society and coffee marketing societies have benefited, and will continue to benefit, by functioning separately. I must also congratulate you upon securing for your Honey and Wax Producers' Society an expert salesman, with the help of the Government of India. Coorg honey has earned very justly a great reputation in the Indian markets.

The co-operative movement is now passing through one of its most significant phases. A thorough examination of the movement is being undertaken in many parts of India. The Report of the Committee on Co-operation in Madras presided over by Sir T. Vijiaraghavacharya is undoubtedly one of the most

outstanding amongst them all, and it records the collective wisdom and experience of eminent co-operators. Co-operators may turn to it for guidance in the solution of the many problems with which they are faced. The view that the success of primary societies does not depend upon the old Raiffeisen principle of unlimited liability, which may be replaced without undue risk by the principle of limited liability, though it may seem revolutionary to some co-operators, is based upon a correct appreciation of the realities and the needs of the present situation. If the goal of the village society, viz., that it should serve as the centre of the economic activities of the ryot and therefore take up a multiplication of functions, is to be kept in view, then a limited liability society embracing a compact group of villages is surely the most proper and safe line of organisation.

A third point on which I should like to say a word is with reference to the need for the promotion of marketing societies. Too often our loan and sale societies are loan rather than sale societies. The marketing of the produce of the ryots should be undoubtedly one of the most important aims of the co-operative society. For apart from the forced sale of produce which leads to low prices, only through a network of marketing societies can the evil practices, so wide-spread to-day, of adulteration, damping, false weights and measures be put an end to. For doing the work efficiently, marketing societies should have godowns where they can store the produce, and I must congratulate you on your wisdom in utilising the Government of India grant for the construction of godowns. These warehouses are not merely useful for storage, but will serve as the best basis for marketing credit, for the warehouse receipts or warrants issued by them can be pledged with banks and funds could be raised. India needs a network of warehouses and the offer of the Government of India to finance their construction from out of the funds secured by the margin of difference between the market price and the guaranteed price of groundnuts should be most welcome to co-operators.

The tendency on the part of retail shopkeepers to profiteer and exploit the consuming public by forcing up the prices of commodities led to action both by Government and by the Co-operative Department. It was felt that an effective way of checking prices would be to organise consumers' stores, and hence the opportunity was availed of to start a large number of stores in the Madras Presidency. In the City of Madras, Government has entrusted the whole task of storing essential food supplies required in times of emergency to the Triplicane Urban Co-operative Store and the latter has agreed to undertake retail distribution through its 34 branches and 25 depots specially opened for the purpose. In this way can the consumers be protected against exploitation, and prices effectively controlled. No amount of legislation or executive orders against exploitation can safeguard the consumer as a co-operative organisation can.

That leads me on to the important question of the linking of producers' and consumers' organizations. Serious difficulties arise from the difficulty of getting from producers' societies the sort of goods in quantity and quality needed by the consumer stores. There is such a lack of standardisation in production and there are far too many varieties that it is difficult to get adequate supplies of the particular kind to which the consumer has accustomed himself. Producer societies should therefore concentrate on the selection of a few standard varieties and increase their supplies.

I am a firm believer in co-operation and its future. Not that it has no shortcomings or weaknesses. But they can and should be overcome. The lines of

consolidation and improvement have been more or less clearly laid down by the leaders of the movement and despite some small differences in detail, have received widespread approval. I see no other way to economic improvement than through co-operation. If co-operation fails, everything will fail. I can see no alternative to it. It is the most pacific way of achieving economic transformation.

THE BOMBAY CO-OPERATIVE BANKS' CONFERENCE, POONA 23RD AND 24TH MAY 1942.

Extracts from the Presidential Address of Mr. R. G. Saraiya, Chairman, Bombay Provincial Co-operative Bank.

Presiding over the Bombay Co-operative Banks' Conference held at Poona on the 23rd and 24th May 1942, Mr. R. G. Saraiya, Chairman of the Bombay Provincial Co-operative Bank, after dealing with the effects of the impact of the present world war on our economy in general and its repercussions on the activities of co-operative societies detailed some of the measures taken by the Central and Provincial Governments for regulating the economic system of the country, preventing inflation and maintaining the soundness of the Indian currency. In that connection he drew attention to absence of any definite economic policy behind governmental measures and pointed out how the impact of war in the absence of systematic economic planning on certain classes of the community has been more unfavourable than on others. He made a special appeal on behalf of the farmer and farm labourer.

Mr. Saraiya then dealt with the need to amend the provisions of the Reserve Bank of India Act and the formation of Warehousing Societies on co-operative lines with State assistance to link up the credit machinery of the Reserve Bank with rural credit. He also referred to the recent revised memorandum of the Reserve Bank of India setting forth the terms on which it was willing to grant accommodation to Provincial Co-operative Banks to be passed on by them to central banks for the financing of agricultural operations and for the marketing of crops. He also referred to the modifications made in the scheme of remittance facilities for the transfer of funds extended to Provincial Co-operative Banks.

Referring to the recent Bombay Agricultural Debtors' Relief Act, he said:

"It would be our duty, as well as the duty of the Provincial Governments to watch that the direct impact of the War, and the innumerable measures of price control, export and import restrictions, difficulties of freight railway transport, road transport etc. do not result in grinding down in further poverty the producer of the soil. May I appeal to the Department of the Economic Adviser to the Government of India, to the Rural Development Department of the Provincial Government, and to institutions like the Gokhale Institute of Politics and Economics and the Provincial Co-operative Institute to undertake these enquiries so as to ensure that these measures of control, restrictions, etc., do not result in an unfair deal to the farmer and the farm labourer?

"It is for the industrialists with the assistance of the State, to bring about increased manufacture of Indian products in India itself. But the banking system of the country, if it is to be of any use at all to the producers, should enable the producers to hold these products in times of emergency like the present by the pro-

vision of credit facilities on reasonable terms. The extraordinary strain on the transport system of the country has brought about a curious development in that the prices of many commodities in the interior of the country are often considerably lower than prices of these commodities at ports or at points of consumption. The unnatural depression of prices in the producing areas owing to the lack of transport facilities, shortage of wagons and petrol rationing calls for considerably increased banking facilities in these producing areas. Storage of commodities in the interior of India has become a necessary feature which may well continue, and I would strongly urge upon you all the necessity of providing increased banking and storage facilities for agricultural produce in the interior of the country.

"We, co-operators, still believe that the operations of the Act, even in the limited sphere to which they are now extended, may have adverse repercussions on the finances of the central banks and the provincial bank that have provided credit for agricultural societies in the areas concerned. In case the burden that the banks may be called upon to bear proves heavy, we would urge that Government should reiterate and implement the public assurance that was given by the then Finance Minister in his budget speech in 1939 that Government would stand by co-operative banks in any crisis that they might have to face as a consequence of the effect of the debt relief legislation on their operations."

CO-OPERATORS HONOURED

THE SOUTH INDIA CO-OPERATIVE INSURANCE SOCIETY LTD.

Extracts from the speech of Dr. B. Pattabhi Seetharamayya, delivered on the occasion of unveiling the life-size oil painting of the Hon'ble Mr. V. Ramadas Pantulu, former President of the South India Co-operative Insurance Society, at the premises of the Society on the 4th January, 1942.

After paying a glowing tribute to the Hon'ble Mr. V. Ramadas Pantulu for his mastery of details of co-operation and his devotion to Insurance and the Co-operative Movement, Dr. Pattabhi Seetharamayya made the following general observations regarding Co-operation and Insurance. "Co-operation and Insurance are the two sister graces of the field of commerce. They are both in the nature of a service. Only the Co-operative Movement is a service which must be run as a business. The Insurance scheme is a business which must be run as a service. It is only a difference of emphasis. The economics of both are based upon patriotism, sentiment and humanity. The best economics really is the economics that is rooted in ethics, for that system of economics in which any particular department scheme or individual wishes oneself well but not well to the neighbour is a system which is rooted not in ethics but in evil, in selfishness and not in communal weal and is destined to decay. These are not controversial aspects. They are principles of acknowledged character bordering on platitudes. Yet we have to remind ourselves of these from time to time and on occasions such as these in order not to lose sight of the basic principles upon which Insurance schemes have to be worked in our country."

He dealt at length with the new Insurance Law and its reactions on Indian Insurance Companies, particularly the younger ones.

Extracts from the speech of the Hon'ble Mr. V. Ramadas Pantulu while unveiling the portrait of Sri T. A. Ramalingam Chettiar at the premises of the South India Co-operative Insurance Society, Ltd., Madras on the 4th January 1942.

Having paid a tribute to Mr. T. A. Ramalingam Chettiar for the services rendered by him to the Co-operative Movement and the South India Co-operative Insurance Society in particular during the period of the nine years he was on the directorate of the Society, the Hon'ble Mr. V. Ramadas Pantulu made the following observations regarding the present position of non-Official co-operators in India.

"Knowing as I do something of the co-operative movement not only in India but in other countries as well, I must say the plight of the non-official co-operators in India is by no means an enviable one. While the responsibility for the proper management of co-operative institutions and the efficient conduct of the movement is laid on non-official shoulders, the power of direction and control is vested in official hands. This is an arrangement under which no movement can be expected to have its natural and healthy growth. Moreover, in every country and every sphere of administration power without responsibility shows a tendency to grow in the hands of officialdom till the line of demarcation between its use and abuse becomes obliterated. All the world over, the sheet-anchor of unsuccessful administrators and arrogant critics, who with no element of co-operation in their mental and spiritual make-up, had been the miserable plea that people over whom they were set to rule were dishonest and incapable of managing their own affairs. I repudiate with a full sense of my responsibility these charges as utterly baseless in so far as they are levelled against the average Indian co-operator. At the same time I do not attempt to minimise or hesitate to own up the failings and defects of the non-official co-operators themselves.

"The only effective antidote to the abuse of power without responsibility, in the name of control and direction, lies in cultivating not only a robust sense of independence and self-reliance but also a genuine faith in the movement and in the capacity and character of people for whom it is intended. No one with right instinct can fail to have faith in human nature. I go further and say that no one without faith in co-operation can have faith in human nature; and the converse is equally true; one who has no faith in human nature can have no faith in co-operation. Has not Shelley summed up the essence of human philosophy and science in these three pregnant lines?

"Nothing in this world is single,
All things by a Law Divine,
In one another's being mingle."

CO-OPERATIVE NEWS AND NOTES

The Twenty-ninth Mysore Provincial Co-operative Conference will be held at Mysore on the 16th and 17th October 1942 under the Presidency of the Hon'ble Mr. V. Ramadas Pantulu.

With a view to combat the shortage of food grains in the country arising out of the cessation of imports from Burma, Siam and Australia due to conditions created by war, the Provincial and State Governments have given several concessions to the cultivators. Waiving of penalties for infringement of rule of irrigation administration e.g., failure to apply for a permit within the proper time, so long as such irrigation does not adversely affect the existing irrigation and is not itself objectionable, granting of loans for bringing lands under cultivation with food crops in holdings which remained uncultivated in Fasli 1351 and which are likely to remain so in Fasli 1352 also and leasing of railway porambokes on a reasonable rent are some of the measures adopted by the Madras Government.

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The Government of Madras are also reported to have directed the consuming departments including local bodies, to purchase their requirements of cloth from the Madras Handloom Weavers' Provincial Co-operative Society when Jail Department was unable to supply. The consuming departments have also been permitted to allow if necessary a ten per cent preference in price to the Society's articles over and above the price of the lowest tender for similar articles. In the first instance this preference is restricted to six months.

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It is reported that the Government of Bombay have accorded sanction to the continuance of the system of appointing honorary organisers of co-operative societies and revival of their former classification into district and taluka organisers.

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The Government of Cochin have sanctioned a further special contribution of one lakh of rupees for Rural Development in addition to the three lakhs sanctioned already. This amount, it is said, will be provided in the next year's budget and is to be placed at the disposal of the Minister.

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Dr. Henry Carpenter, Chairman of the executive board of the American Committee on Chinese Industrial Co-operatives, who has been associated with co-operatives in the United States, New foundland and Mexico, is reported to have been proceeding soon to China to help the co-operatives speed up their production. En route to China, Dr. Carpenter plans to confer with Indian Officials.

In the Presidency of Bombay there are 231 co-operative banks with a paid up share capital of Rs. 10,000 and above; Eighty four of these banks have a working capital of Rs. 50,000 or above.

The South Kanara Agriculturists' Co-operative Wholesale Society completed another year of satisfactory progress. On the 30th June 1941, the number of members was 2,526 of which 67 were societies. The Society had 45 branches and held deposits amounting to Rs. 22,615. Its share capital was Rs. 8,486. During the year ended with 30th June 1941, the Society effected sales to the tune of Rs. 10,01,350 resulting in a net profit of Rs. 1,768.

The steps taken by the industrial co-operatives in the United Provinces for the large-scale production of military requirements such as *tat patti*, *niwar*, gauze cloth, nets camouflage and knitted goods including stocks, drawers, water bottle carriers, tapes etc. and the extent of progress achieved so far are well illustrated in the pamphlet issued by the United Provinces Co-operative Industrial Federation. Nets camouflage alone, it is said, have brought to the villagers in these provinces over Rs. 7,00,000 within a quarter of a year.

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The organisation of co-operative war-work in the Punjab under the supervision of a War Committee of its members, set up by the Punjab Co-operative Union is described in an address presented by the Union to the Governor on taking up his appointment in November last year. The Committee decided to request each of the 11,00,000 members of societies in the Province to contribute at least 4 annas to the Viceroy's War Purposes Fund. The Punjab Provincial Co-operative Bank, Lahore, has presented an Ambulance to the value of Rs. 5,000. Co-operative Institutions are also contributing to the War Purposes Fund and have invested large aggregate sums in Defence Bonds, including Rs. 18,00,000 by the Lahore Central Co-operative Bank and Rs. 5,00,000 by the Punjab Provincial Co-operative Bank. The Co-operative Drama Players of the Province have made war propaganda a regular feature of their programme. "Co-operation", the monthly Urdu magazine published by the Union, gives correct information about the war, and has published a special illustrated war number. Co-operators are also coming forward to enlist in the Army, and a number of members of the Union, their sons and relatives, have enrolled.

In Bengal under the scheme of training approved by the Government of India and which came into force in April 1937, students studying to qualify as co-operative employees received instruction in co-operative history, theory and practice, co-operative law, and economics, with special reference to rural economics and banking, auditing and accountancy. The types of employees trained include inspectors, auditors, supervisors of central banks, and central and urban bank managers and secretaries. The Training Institute, which is close to the city of Dum-Dum and thus combine the advantages of both rural and business environment, is financed out of a Government of India grant of Rs. 3,15,750. Up to March 1940, 831 co-operative officials have been trained at a cost of Rs. 1,22,316. Arrangements are made for these students; who attend regular classes 5 days a week to study actual rural re-construction work on co-operative lines, and also to participate in out-door games.

In Mysore the five year plan for rural reconstruction started in 1936 by the Government of Mysore has been found to be too slow to meet the requirements of

rural Mysore. The work of rural reconstruction has now reached only 264 villages after the lapse of five years. So, in order to accelerate rural reconstruction activities on a wider scale proposals are now made for introducing the scheme outlined by the Government in 1936 into one Hobli of each taluk to start with. (A Hobli is a group of 40 to 60 villages corresponding to something like a Firka in Madras.) There are altogether 364 Hoblis in the State and it is expected that within a period of five years from now the scheme will have been put into operation in all the Hoblis.

In addition to the official agency, it is proposed to appoint in each Hobli an honorary and trained worker who will be required to reside in the Hobli and assist in creating a live interest in the villagers in the work and in co-ordinating the work of the several departments in the Hobli. In the current year budget a sum of Rs. 2 lakhs is allotted under rural reconstruction and another sum of Rs. 1 lakh will be set apart for rural drive for next year (1942-43). Among the advantages that are expected to accrue from selecting one entire Hobli for intensive work as against selecting scattered villages in each taluk is the facility of pooling together all the available resources such as the rural water supply funds, inter-village communication funds and rural reconstruction funds.

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According to the report of the Mysore Government on the working of the Village Panchayats in the State for the year 1940-41, the total number of Panchayats at the end of 1940-41 was 12,076 with an income of Rs. 12,73,371 and an expenditure of Rs. 12,61,456. The closing balance at the credit of the Village Panchayats at the end of the year was Rs. 24,93,415. These Village Panchayats also contribute for the rural reconstruction work.

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At a meeting of Cottage Industries Committee in Mysore held in April last it was resolved to appoint a Bangle Expert to develop the bangle-making industry in the State, and to get an expert in Lacquer-ware from North India and train a number of local men in this industry. It was further resolved that the large-scale industries in the State should be made use of for training selected artisans in certain related cottage industries and with this end in view, the Committee resolved to get 12 to 24 men in the manufacture of hand-made paper at Bhadravati, 12 to 24 men in leather-stitching in the Mysore Chrome Tanning Co., and an equal number of men in Pottery at the Porcelain Factory at Bangalore. The trainees will be given scholarships during the period of the training and necessary facilities afterwards to start industries.

The Committee, it is reported, at one of its previous meetings resolved to request the Government to create a separate department for cottage industries with a separate Director. It further decided to take the help of University students during their holidays for conducting survey of cottage industries in specified areas and to start with, the Committee resolved that a stipend of Rs. 20 might be given to six students of the University for the purpose.

It is reported that the Central Provinces Government gave loans amounting to more than Rs. 29 lakhs under the Land Improvement Loans Act and Agriculturist Loans Act. Of this amount Rs. 23,58,700 was loaned out under the Agriculturist Loans Act.

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Dr. K. N. Katju, ex-Minister of the United Provinces in the course of a statement to the press on the working of the Cane-Growers' Co-operative Societies in Bihar is reported to have said that the few and scattered societies in Bihar supply only 15 per cent of the total cane crushed by the factories, and factory owners get a credit for this commission basing their calculation on the entire quantities of cane crushed by them and recommends to the Government to include in the Provincial cess the commission allowed to these societies.

The Government of Bombay. it is understood, has authorised the Agricultural Department to sell seeds on credit to co-operative organisations provided such organisations hold themselves responsible for the recovery of the amounts from the persons to whom they may issue the seeds.

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The establishment of an agricultural colony with settlers drawn from the educated unemployed in Mysore State is contemplated in a scheme sanctioned by the Government of Mysore on the recommendation of the Director of Agriculture in Mysore. According to the scheme, 20 candidates are proposed to be selected as colonists, each being given culturable land and an advance of Rs. 1,000 for necessary equipment and cultivation expenses under certain conditions. A committee of officials and non-officials has been constituted for the management and supervision of this colony which will be established under the Marconahalli Reservoir.

ACKNOWLEDGMENTS

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THE INDIAN CO-OPERATIVE REVIEW

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EDITORIAL NOTES

AGRICULTURAL DEVELOPMENT AND CO-OPERATION

The shortage of food supply and soaring prices of food grains which are among the serious effects of the war on our national economy naturally lead to a large output of literature on food supplies and prices. For some time the objective of the Government was conceived to be limited to elimination of artificial shortage and scarcity of articles of food by prevention of hoarding stocks by producers, dealers and consumers and by getting them on to the market so as to ensure fair distribution to the ultimate consumers, supplemented by prevention of exports beyond the Provincial or State boundaries and affording facilities for transport from the surplus areas to the deficit areas. But it is now recognised that these measures afford only partial relief and do not help to adequately solve the acute problem of food supplies with which the country is faced. Among the various remedies suggested, the one on which new light is sought to be focussed is exploring of the potentialities of intensive and extensive cultivation of food grains by tapping all available resources of the country. The importance of awakening the agriculturist to the immensity of the problem and enlisting his active co-operation in carrying out the "Grow More Food" campaign by suitable forms of State aid and concessions is now fairly well realised. But the appeal in this connection from every quarter is only to individual effort and we have not found any evidence of recognition of the fact that associated effort by way of co-operative or collective farming is likely to yield better results than individual effort. In other words, the idea of organising the agriculturists for co-operative or collective effort has not so far seriously engaged the attention of either the Government or the public.

Nevertheless at a time when an intensive drive for increase of crop production is in active pursuit, a survey of agricultural development in India by an expert in the line is bound to prove both interesting and profitable. Programmes of agricultural development are really integral

parts of a comprehensive planning of rural reconstruction to which co-operators have always attached great importance. In a paper read before the India and Burma Section of the Royal Society of Arts, Sir Bryce Burt a former Vice-Chairman of the Imperial Council of Agricultural Research has thrown some useful light on the work of the Central and the Provincial Governments and the Imperial Council of Agricultural Research in promoting the development of agriculture in India in the decade between 1929-39. During 9 years in that period the Government of India placed at the disposal of the Agricultural Research Council funds amounting to about one million sterling and in the year 1939 one hundred research projects were receiving financial aid and three hundred research officers and scientific assistants were being maintained. Sir Bryce expressed the view that the average yield per acre of several crops in India had been raised by means which resulted in enhancing the monetary regard to the grower and providing him with more and better food for his family and his cattle. He illustrated his point with reference to important crops like cotton, jute, sugarcane, rice, wheat and tobacco. He further cited statistics to show that the area under improved varieties of certain crops also increased bringing substantial additional income to the ryot.

In the first place, it must be said that conclusions based upon agricultural statistics as at present prepared and published in India are subject to several infirmities. It is common knowledge that the system of agricultural statistics in India is very defective and requires considerable improvement before the data presented thereby can be accepted as quite reliable. In this issue of this Review we have published an article contributed by Dr. P. J. Thomas and Mr. N. Sundararama Sastry of the Madras University, in which they make out a good case for the improvement of Indian agricultural statistics.

In the next place, valuable undoubtedly as Sir Bryce's contribution is to a subject of great topical importance, we are left with a feeling that the picture painted by him is too rosy and that the realities of Indian agriculture to-day do not warrant some of his conclusions; when tested in the light of the economic plight of the grower of various crops. To give only one illustration; no one in India questions the fact that the plight of the grower of Indian short staple cotton is a source of great anxiety to all well-wishers of the Indian farmer. Expert bodies like the East India Cotton Association and the Indian Central Cotton Committee have also expressed their deep concern for him. The same may be said with regard to growers of some other important crops also.

In the course of the discussion that followed the reading of Sir Bryce's paper, several retired officials from India took part. The out-

standing contribution to that debate, however, came from Dr. Harold H. Mann, who voiced the feeling of the Indian economists and publicists faithfully. He said that while all wished for an increase of production, the increase would be of little value to agricultural population unless we could ensure that the increase of production went into the life of the Indian cultivators. We have often drawn attention to the fact that a substantial portion of the large margin between the price paid by the urban consumer and that obtained by the rural producer is intercepted by numerous intermediary agencies who are engaged in the work of marketing and distribution of agricultural products. Neither the Central Government nor the Provincial and State Governments have made any systematic attempts to ascertain the actual reward obtained by the primary producer as a result of the improvement in cultivation and rise in prices. We remember having read some years ago a report of a marketing expert in Bombay that the fruit growers in the Poona district who were helped to develop better varieties and increase the yield with the aid of agricultural experts, obtained one rupee as the price of fruit exported by them to the Bombay City markets for a quantity which was sold to the Bombay consumers at Rs. 22. Though the disparity may not be so alarmingly great in the case of food grains yet the interception of the return to which the primary producer is legitimately entitled is substantial and requires the serious attention of the Government. So Dr. Harold H. Mann's note of caution is well-meant and timely.

We are of opinion that the proper solution for the development of our agriculture and ensuring fair return to the cultivator lies in the adoption of principles and practices of co-operation in relation to the growing processing and marketing of the cultivators' produce. The agriculturist must be helped to grow more food and cash crops to improve his income and this aim can be best achieved by encouraging co-operative farming and the promotion of schemes for the collective acquisition and co-operative use of the more expensive types of farm machinery and equipment.

The establishment of closer relation between the farm and the factory can succeed only by the elimination of needless middlemen which is one of the main aims of co-operation. We hope and trust that the potentialities of the co-operative movement as a powerful factor in post-war organisation of agricultural development will receive greater and more real attention from the State and the public.

HARIJANS AND THE CO-OPERATIVE MOVEMENT

In schemes for the reorganisation of our rural economy the services which the co-operative movement can render to landless agricultural

labourers, particularly the Harijans, who constitute the bulk of them are naturally engaging increasing attention of co-operators. We publish elsewhere in this issue an interesting article on an experiment in rural banking which sets out the services that a co-operative rural bank can render to such classes. An analysis of the membership of the Alamuru Rural Bank shows that out of a total membership of 1,826 the Harijans number 830 and constitute the single largest group of members of the bank. A study of the operations of the bank also shows that the financial and other forms of economic assistance given to the Harijan members are by no means negligible. The objective data relating to the experiment set out in the article demonstrate that the impression that the poorer and particularly the landless classes have no place in a co-operative society and cannot obtain any credit or allied services from it are not quite wellfounded. Here is clearly an example of the type of co-operative institution which can render useful economic services to the Harijans, though the scope for such services under the present conditions is limited.

The Government of Madras have started a land colonisation scheme for rural labourers the main features of which are set out in a note published elsewhere in this issue. Under this scheme the land is assigned to and held in the name of co-operative societies formed for the purpose but the holdings are distributed by them to their members for individual cultivation. Up till now 16 such colonisation schemes have been sanctioned. Though the land is assigned to and is held by co-operative societies the Government's scheme does not contemplate or promote co-operative and collective farming unlike the Alamuru experiment. The Madras Government in a recent press note state that "it is not practicable at present to attempt co-operative and collective farming in view of the conservative outlook and lack of education of the ryots." This is a time-old plea and is extremely unconvincing. How long rural India will have to wait for the eradication of the conservative outlook and liquidation of illiteracy among the ryots under the present system of administration, no one can foretell. The Madras Government further state that they have decided not to start any new colonisation schemes even for individual cultivation by members of co-operative societies at present and that they prefer to watch the working of the schemes which are already in being before further expansion is attempted. We must say that it is caution and conservatism carried to excess in dealing with a vital economic problem, on the proper solution of which any successful scheme of rural reconstruction can be attempted.

We are not unconscious of certain fundamental disabilities under which the Harijans have laboured for centuries and still continue to labour,

which constitute serious obstacles to their economic betterment. The Harijans are denied the civic rights to which they are legitimately entitled and occupy an inferior place in our social structure which must be said to be archaic in the extreme and unsuited to modern conditions. Their backwardness educationally and economically can be largely traced to this social malady. Co-operative movement cannot be expected to make real head-way so long as such disabilities are allowed to persist. So co-operators cannot be indifferent to the removal of these disabilities. The second great disability which is really a corollary of the first is the state of perpetual debt bondage of the landless field labourers. The Madras Committee on Co-operation, 1940 has drawn attention to several forms of such bondage. In the case of the rural labourers who are virtually in a state of slavery to their creditors "the adoption of administrative measures for the introduction of legislation to scale down the burden of accumulated debts and to control conditions of future money lending" will not, in our opinion, by themselves avail much to bring about a change in the economic position and environment of this class of people. In their case executive and legislative action of a very different kind will have to be taken. An example of such action is to be found in the Agency Debt Bondage Relief Regulation of 1940 promulgated by the Madras Government. The past debts of this class of people should be completely wiped out by legislative action and they must be started on a clean slate of economic life even as field labourers with stringent restrictions on the bigger agriculturists and the rural money-lending and trading classes exploiting the needs of these helpless people. Now that the Government do not seem to be convinced of the practicability of promoting co-operative or joint cultivation among such classes of people, it is clearly the duty of the co-operators to organise Harijans for such purposes. We hope that the Government will help this effort on the part of co-operative organisations by at least passing suitable legislation to completely free this class of people from their past debt bondage commitments.

PROBLEMS OF THE STORE MOVEMENT

In the last issue we published a cablegram sent by the Vice-President and Administrative Secretary of the International Co-operative Alliance, London, appreciating the services of the Triplicane Urban Co-operative Society in assuming the functions of food supply during war emergency. This appreciation was followed by an interesting note on the subject in the September issue of the *Review of International Co-operation*. We are glad to publish in this issue a very informing article on the development of the Consumers' movement

generally, and the work of the T. U. C.S. in particular, by Dr. P. S. Lokanathan of the Madras University. He raises many questions of topical importance which we have no doubt will receive the careful attention of our readers. One of the many points raised by him is the question of financing the stores, whose number and turnover have rapidly increased since 1940-41. We agree with the view expressed by him that the primary stores should not be compelled to derive their finances from the co-operative credit agencies through the medium of the wholesale stores where they exist. These wholesale stores are themselves yet in a very undeveloped state and some of the primary stores are able to command better and cheaper credit from co-operative credit agencies than these new wholesales. Even in the sphere of pure co-operative credit it has taken a long time to make the central bank the sole financing agency of rural credit societies except to the extent they may be able to secure their working capital from their members' and non-members' local deposits. Even to-day many urban banks do not borrow, except at their choice, from the central banks but rely on the money market. Often they compete with the central banks for deposits. The question of financing of the primary consumers' stores essentially belongs more to the category of urban co-operative credit which shows marked differences from rural credit. We also agree with the view expressed by Dr. Lokanathan "that co-operation is as much a method of profitable production as efficient distribution". We are however somewhat sceptical about the possibilities of co-operative wholesales, even when better organised and more fully developed, successfully evolving their own productive machinery. Even in England the attempt has not been a great success so far. But the scope for organising the agricultural producers on a co-operative basis and linking up agricultural producers' societies with the consumers' stores is immense. The problem is one of great importance in post-war planning for the reorganisation of rural and urban economy of India.

THE MADRAS REPORT ON CO-OPERATION, (1940-41)

We publish in this number of the Review copious extracts from the interesting, rather exciting, report on the Working of Co-operative Societies in Madras for the year ended June 1941. We regret the inordinate delay in the publication of summaries of this and other provincial reports. But it was due to the pressure for space in the last two numbers and the difficulty of getting out this number in time.

In our last editorial notes, while dealing with co-operative education and propaganda, we referred to the retrograde views held by the ex-Registrar of Madras as expressed in his Report for 1940-41. His con-

temptuous references to what he called "the evangelistic propaganda" of non-official co-operators and his extravagant estimate of 'the most effective' instruction imparted by Departmental inspectors provoked the *Madras Journal of Co-operation*, which had generally been a supporter of his regime, into characterising the scheme of education by an itinerating Inspector of the Department as 'wooden' and lacking 'continuity, permanence and purposeful vigour.'

The rest of the report is couched in more or less the same vein as readers will note. It is indeed a bit of autobiography wherein the Registrar has reviewed his own achievements for three years and compared them with the previous record of progress, particularly his policy of expansion of societies of different types, the steps taken by him for what he calls "the strengthening and purification of the movement" and his attempt to make co-operative institutions more 'businesslike' by bringing in depositors and businessmen to their boards of management. No one in Madras would fail to recognise the extraordinary enthusiasm shown by this Registrar for the organisation of a large number and variety of non-credit societies and the "vigorous drive kept up in liquidation of deficit societies."

Thanks to his initiative and infectious enthusiasm and to the abnormal economic conditions created by the war, we have at present a very large number of stores and sale societies. But to what extent these are genuinely co-operative and will survive the artificial fillip given to them during the war remains to be seen. Already some of the most advertised stores societies have ceased to function and the wholesales, sale societies and marketing federations are working in a manner never intended. While we concede that there is great need for expansion, it must be done after, at least along with, the education of the would-be members of societies on their rights and duties. The willing co-operation of non-official leaders can be secured only by friendly discussions and not by browbeating them into acquiescence, and then talking of "greatest manifestation of realistic sense of co-operators." This method does not succeed for a long time, and it is no wonder that some erstwhile supporters turned into bitter critics of excessive official interference.

According to the Registrar, the report of the Vijayaraghavacharya Committee on Co-operation, which sat for more than a year and made the most elaborate enquiry and submitted an exhaustive report with a number of proposals aimed at the reorientation of the movement in the Presidency on lines which have commended themselves to the enlightened co-operators, not only in Madras but all over India—as the pages of this Review would show—that report is not so important as the orders

of a Government, which is functioning without a legislature and a responsible ministry, on that report based on the recommendations of himself. No reasons have been given for rejecting the "more revolutionary among the proposals." If really "no radical departure was contemplated from accepted tradition and practice", as regards the constitutions and functions of societies, why should rules be framed by Government in contravention of the existing methods of management of societies and more and more power vested with the Registrar and his deputies to control and interfere in their internal administration?

One of the rules framed by the Madras Government is that no co-operative banks (except land mortgage banks) shall lend for more than three years, and that the Registrar shall allocate the proportion of loans, between long and short term within these three years. If land mortgage banks can lend only for twenty years, and the other banks or societies only for three years at the most, who is there to fill the gap for loans for intermediate periods? Is it seriously contended that there is no need for such inter-term loans? This is one of the rules which are expected to usher in the new business era of co-operation. The Vijayaraghavacharya Committee, with a view to reconcile the limitations of the credit institutions working on the basis of short-term deposits with the needs of the agriculturists, without impairing the soundness of the institutions, recommended that inter-term loans in suitable cases and for productive purposes might be granted up to seven years. No valid reasons are given by the Registrar for not accepting this recommendation of the Committee.

We are in entire agreement with the Registrar in his categorical rejection of the idea of the small-type banking union advocated by the Reserve Bank of India. We have always held the view, and we are glad to see the Registrar expressing the same view after three years' experience, that the co-operative central banks in Madras are in general reasonably sound institutions. Many of them "are as good as the major scheduled joint stock banks; and they have weathered the lean years of depression in a remarkable manner. They are congenial to the genius of this province; and I should look upon any attempt to break them up into small banking unions with a good deal of apprehension." His attempt to revive and strengthen local supervising unions with the financial aid and general (non-detailed) control over the union staff by the central bank is a reasonable compromise between excessive centralisation and excessive local autonomy. It is well worth a serious trial not only in Madras but in other provinces where central banks function well.

ECONOMIC DEMOCRACY IN CHINA

By

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To-day, China exercises a peculiar fascination over India. That may be due partially to the cultural contacts which China has had with India from times immemorial. It is due, largely, to the manner in which the Chinese nation has, as it were, been reborn and has struggled, first, with the question of internal growth and, later, with the still more acute problems of external aggression. The problems of no two countries are alike, nor are the internal or external conditions. But, if there is any country in the world which comes nearest to India in the vastness and diversity of its terrain, the density and magnitude of its population, and the placidity and submissiveness of the people in the countryside, it is China. China, however, to-day is not what it was a decade ago. A new unity has been born and a new consciousness created in the face of external dangers. There has emerged a will to make the nation strong, to reorder its political and social life, and to build a sound economic structure, so that not only can China's millions be prosperous and happy but that China can play the part in the comity of nations, to which it is entitled by reason of its culture and its size.

The renaissance that has taken place has been all-round—cultural, social, political and economic. It is in the last-named aspect that co-operators are most likely to be interested, though the manner in which political reorganization has been brought about or the “new life movement” pushed ahead has many lessons for co-operators and students of economics. The bulk of this achievement has taken place under the stress of war conditions, a fact which redounds greatly to the credit of the nation and its leaders. As is observed in the Preface to a recently published book on this subject,* “that China can lay firm foundation for her new society and State under such difficult conditions shows the fine fibre of her people and foretakens yet greater advance after the war.” The volume which has been compiled by a number of writers, men and women—American,

**War-time China, as seen by Westerners.* The China Publishing Co.; Chungking, China.

British, Canadian and Danish—represents a valuable addition to the stock of literature that interprets new China to the English reading people in other countries. The volume is divided into five parts, the first dealing with cultural reactions and sociological changes, the second with rural reorganization, the third with science and health, and the fourth with Christian missions and religion. The closing chapter gives a pen picture of social and domestic life, while the opening chapter contains a vivid character sketch of Generalissimo and Madame Chiang-Kai-Sheik, who have added, by the force and charm of their personalities, to the glory and lustre of modern China.

China's economic problems are summarized in a chapter, which begins with the statement that the economic programme to which China is committed is the same as was outlined twenty years ago by Dr. Sun Yat-Sen. This programme is threefold: the socializing of communications, industry, mining and distribution; the restriction of private capital to the improvement of social conditions and to minor industries, and the equalizing of land ownership. The efforts made to implement this programme, albeit gradually and by stages, are set forth, at some length, in the chapter. Agreeing with the principle of basing land policy on the need for providing the people's livelihood, measures, administrative and legislative, have been introduced, enabling those who work the land to become its owners; and the transfer of land from land-lord to tenants is being effected gradually with the assistance of loans provided by the Farmers' Bank of China. Government make available waste lands or lands acquired from land-lords. These are assigned either to small farmers individually or jointly to co-operative societies. The waste lands are allotted on the condition that the individuals or the co-operatives are to be allowed five years' free use in which to make improvements, after which period they will be subject to a payment of 15 per cent on the gross profits.

It is no use giving people the land unless that land is to yield to those who use it sustenance, if not a surplus for sale. The development of irrigation resources of all types has, therefore, been placed in the forefront of the policy of agrarian reconstruction in China, with the twofold object of increasing the avenues of rural employment and of adding to the food supplies of the nation. Notwithstanding the pre-occupations of a devastating war, the Government of China have embarked on ambitious schemes of irrigation. Apart from the schemes completed in various provinces in previous years, it is expected that in the year 1942 a total of 258 irrigation projects will be executed at an aggregate cost of \$137,246,806, irrigating an area of nearly 2,000,000 *mov.* Coupled with

the extension of irrigation is a programme for the construction of canals and highways and the improvement of facilities for water transport.

Behind these schemes of national planning, launched during the period of war, is the conviction that in its prosecution of the war, a Government has to employ more strategy to maintain a balance among diverse elements than to marshal soldiers. It is this desire that animates the policy of rural reconstruction covering the extension of educational and health services, the improvement of housing, apart from the measures designed to secure economic justice and welfare. In China, as in India, seventy out of a hundred families are dependent for their livelihood on agriculture, and eighty per cent of the total population live in villages. For this reason, economic aid for the farmer and the farming community has been an outstanding feature of national policy during the war years. In forging measures of price control, the interests of the tiller of the soil have always been kept in the forefront. The drive for food production too has been so organized as to put more money into the pockets of the agriculturist. The second line of action has been the increase of production by various means. The increase in total grain production from improved seeds was 42 per cent., from control of insects and diseases 32 per cent, and from fertilizers 16 per cent. Grain production increased by 25,000,000 bushels, vegetable production by 3,500 tons, cotton production by 11,000,000 pounds. Simultaneously there was a campaign to increase silk production, consisting of the planting of 7,600,000 mulberry trees, the growing of 101,000,000 mulberry seedlings for grafting and the production of 1,300,000 sheets of improved silk-worm eggs. Animal husbandry and the control of animal diseases also received considerable attention.

The third line of action was through the extension of facilities for credit. A special chapter deals with war-time banking services. Reference has already been made to the provision of long-term credit by the Farmers' Bank of China for the purchase of land by farmers. That bank has a monopoly for extending farm loans and assisting rural finance. The Bank of China is charged with the duty of dealing exclusively in foreign exchange business, while the Bank of Communications confines its attention to fostering industrial and economic reconstruction projects. The Central Bank of China fulfils the role of a bankers' bank. Under these are local and provincial banks as well as co-operative banks which come largely in contact with agriculturists and small producers. Since the outbreak of the war, co-operative banking is reported to have made good progress. There are three types of banks—national, provincial and municipal or county. Individual lendings made by these to farmers' co-operatives are on a small scale as in India, averaging about

\$ 20 per farmer. The loans advanced by these banks are for diverse purposes classified as under: for better seeds 9 per cent; for improved fertilizers 23 per cent.; for farm implements 2 per cent.; for buying and raising cows and hogs 2 per cent; for purchasing foodstuffs and paying wages and rentals 3 per cent., and for miscellaneous purposes 4 per cent.

Sometime after the outbreak of the war, a programme of development was drawn up at the first National Bankers' Economic Conference, which comprised the following items: (1) to increase war-time production; (2) to facilitate the flow of capital to the villages; (3) to make loans for the construction of granaries and take mortgages on farm produce; (4) to make loans for the purchase of seeds and fertilizers, farm implements and oxen and for irrigation; (5) to assist industry and commerce to move into the interior and (6) to simplify savings bank procedure so as to encourage thrift and collection of petty savings. This was followed by other conferences, which shows that, in a national crisis, a bank is regarded in China as something far more important than a financial institution lending funds in order to make profit for itself. The banking system has a duty to perform in providing machinery to facilitate productive activities. The same attitude is visible in the scheme of savings bonds, authority to issue which is vested in the "big four", and the Postal and Remittance Savings Banks. Unlike the system of postal savings banks and cash certificates in India, where the funds are drained away to the central exchequer, in China a regular plan has been drawn up for the use of the funds obtained by the issue of savings bonds. These funds are to be employed for the following purposes: (1) for all constructive enterprises having a bearing upon national defence; (2) for land reclamation, improvement of irrigation, and promotion of agriculture, forestry and animal husbandry; (3) for development of industry and mining; (4) for the development of communications; (5) for the promotion of co-operative, productive and marketing enterprises; and (6) for all activities relating to economic reconstruction.

It is interesting to see how this programme has been executed by the banks, inspite of the handicaps provided by the war. One of the important war-time services of the banks has been to assist in the construction of temporary shelters to persons advised to move into the interior. Another has been to develop the border regions in the interior and attend to finance the improvement of irrigation. Farm loans granted by the "big four" in 1941 amounted to \$ 498,561,000, and assisted 6 million farmers mainly through rural co-operatives. Most of these loans were for increase in agricultural production. Loans allowed for irrigation projects amounted to over \$30,000,000.

It is not the increased agricultural production alone, however, that has been the concern of the people and the Government of China. Planning has been resorted to on a basis and on a scale which have elicited encomiums all over the world at the success attained in securing readjustment, reorganization and development of the country at a time when it was in danger of collapse in the face of the onslaught by Japan. The present writer has written more than once about the romance of the Chinese Industrial Co-operatives and does not propose, therefore, to treat on the subject at any length in this article. But no survey of war-time China can be complete without a reference to these institutions which, as is observed in the chapter on the subject in the volume under review, represent a new technique that has, even under the stress of the war, adapted production to the nature of the available raw materials, including the human material, and constitute an admirable effort to transplant democracy to the industrial sphere through a nation-wide organization. The organization of industrial workers and farmers around common interests is a step towards economic democracy which has given the farmers a new standing in society and in the life of the nation.

The following table* well brings out the development of co-operation that has taken place in recent years:—

Year.	Societies.	Membership.	Capital.
1937	46,983	2,139,634	..
1938	64,565	3,112,629	..
1939	91,426	4,366,758	..
1940	146,297	7,572,107	25,523,300
1941	168,402	9,708,466	48,201,887
1942 (September)	172,995	10,473,550	76,826,364

The societies had a total indebtedness of \$312,263,696, the credit societies being responsible for \$113,187,762 out of this amount. While, formerly, most of the borrowings were from Government, the loans are now taken on a business basis, almost exclusively from the Farmers' Bank of China. Of the 111,628 ordinary type of societies, 92,567 were credit societies. Industrial co-operative societies numbered 5,795; farm pro-

*Vide *China Information Bulletin* (Calcutta Edition; November, 1942).

ducers' societies 7,681; consumers' societies 2,457; transportation societies 2,128; supply co-operatives 664; public utility 362, and insurance 7. Other societies were for counties or groups and were mostly of the general purposes type. The figures of industrial co-operatives given in the book under review are 1,731 societies with a membership of 25,000 persons and employing half a million seasonal workers. The total capitalization amounts to \$28,000,000 and the figure of monthly production is the same. The goal that the originators of the movement set before themselves was the formation of 30,000 societies. Though this number has not been reached, and while there was some attempt at consolidating the achievements, the slogan for the movement in the current year is stated to be "double your membership and triple your production."

A feature of the working of the C.I.C. distinguishing them, according to the writer of this article, from other industrial undertakings is that they are the only productive organizations which can pride themselves in being generous in spreading their discoveries, inventions and modernized adaptations of old methods and machines. For, it is only by pursuing that path of making knowledge easily accessible that the Co-operative Movement in China has been able to achieve its purpose of enhancing and improving production and advance on the road industrialization on an equalitarian basis. There is another feature on which the writers comment with satisfaction. The C.I.C. is the only economic organization under which social and cultural benefits develop naturally by the very necessity for forging ahead. No factory, no agricultural plant, no bank, no business, it is observed, will establish schools, training centres, health clinics and other non-profit bearing services to raise the qualifications of those in its service unless compelled by labour legislation. But it is added, for the C.I.C., the education and health of its members is the *sine qua non* of its existence and progress.

One of the most welcome developments of the Co-operative Movement in China is the close association with it of women in all strata of society, from Madame Chiang-Kai-Sheik to the poorest of the refugees and the unemployed. This association has come about as a result of the determination among the leaders of the women's organizations in the country to employ the strength that comes through large numbers and through joint thinking and planning. They have thrown their strength into the tasks of basic construction, tackling problems of livelihood, revival of industries, industrial training and crop improvement. Thousands of women have learnt to spin and weave, to improve silk cocoons, to knit and embroider, and to make the articles needed to meet the immediate economic demand. A Women's Department of the Chinese Industrial

Co-operatives was started in 1939, and among its earliest tasks was the organization of peasant women and refugees. This type of activity, it is pointed out by the writer of the chapter on the subject, has been helpful not only in raising the standard of living, but also it has meant a great gain—in national and social consciousness. The Industrial Co-operatives have lent themselves, especially, to that practice in participating in social and community effort which trains good citizens. The lesson in co-operative effort that the women all over the country have learnt is, the writer asserts, sure to aid considerably in creating a new nation built on democracy—a democracy of all its people, women as well as men.

This survey of war-time China brings out vividly the heroic efforts made by the Chinese nation to build a new democratic structure at a time when the country is engaged, in the physical plane, in fighting aggression. The fact that China is a free country, with a national government of its own, anxious at every stage to aid in this process of reconstruction, accounts largely for the achievements already recorded and the hopes held out for the future. All the same, one cannot but pay a tribute to the spirit of the people who, by organizing and co-operating, are gaining for themselves new and unexpected freedom, realizing their birth-right and feeling their power. The administrative reforms and economic organization have stimulated progress; but the most important aspect of the silent revolution has apparently been the change in the outlook of the Chinese people. The loosening of old customs, the acceptance of new forms of organization, the adoption of a scientific approach to reconstruction—all these indicate the change that has been wrought. It has imparted to the nation a spirit of freedom, initiative, spontaneity and determination that should, if this spirit continues to animate them, place the Chinese nation among the foremost peoples of the world. As the preface to the volume under review concludes, "the past five years, with all their sufferings and losses, yet give us a new pride in China, and we look forward to the next five years with courage and hope."

IMPROVEMENT OF OUR AGRICULTURAL STATISTICS

By

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AND

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The importance of Agricultural Statistics is greatly enhanced under conditions of total war. Agriculture provides the raw materials and foodstuffs so urgently required for war, and under conditions of modern warfare the control of such commodities is necessary both for supplying munition needs and for meeting civilian requirements. Therefore, in order to be able to plan warfare efficiently the crops in the belligerent countries must be carefully counted up and the deficiencies must be made good in time. Hence the great care with which the belligerent nations to-day maintain their agricultural statistics as accurate as possible. In fact this subject has come into great prominence lately and is dealt with by responsible ministers of state. Formerly only feeding of armies mattered; others managed to get their supplies as best as they could. But to-day the feeding of the civilian population is certainly not less important than the feeding of the men at war. Hence the heavier task imposed on the administration and urgent need for accurate facts regarding commodity supplies.

Even in normal times agricultural statistics are of great importance in international as well as internal trade. Under a system of international exchange the industrial countries of the West have come to depend largely on the primary producing countries in Asia and Australasia. Western industries cannot function without large imports of wheat, meat, cotton and oil-seeds from Asia and America. Therefore those countries are interested in knowing in good time the quantities of a commodity that would be available for sale and at what probable prices they would be sold. Such information is most valuable if it is known before the produce is garnered, because industrial producers and traders have to make their purchases in advance. In fact the whole mechanism of produce exchanges would function only if such information is available, and speculation which can be used as an agency for a proper fixation of prices may

turn out to be a snare and a delusion if the information about quantities available is either exaggerated or understated. It was to serve such a trade mechanism that crop forecasts were introduced in America in the last century.

By crop forecast is meant the estimate of the yield of a crop in advance of harvest. Such forecasts are of great interest to all businessmen and are always awaited with great interest by them. Those who have seen anything of the excitement which forecasts of the American cotton crop create in the produce exchanges of New York or Liverpool can realise the importance of such information in the complex system of trade and business going on in the modern world. To the traders these forecasts are important, because they have got to make forward dealings and must quote the prices at which they could supply certain commodities. They are also equally important to the manufacturers because they must know well in advance of the producing season at what price they could obtain their raw materials and at what costs they could produce a particular commodity. Similarly the forecast is important to the farmers, because by its help they could adjust their crop acreage and make the most profitable utilisation of their land. The bankers also have a great use for them, because they must know in advance what funds would be required for removing the crops. Hence the great importance of these forecasts in our present complex mechanism of trade and exchange. Any information about crop acreage and production is therefore promptly published in newspapers and broadcast by the radio to the commercial community eagerly awaiting information. It may be added that such information is also necessary for making estimates of national income in the different countries.

Though the importance of accurate estimates of crop production is being realized in India, we are not able to get such estimates owing to our lapses in previous years. There are three factors to be taken into account in estimating the yield of a crop in any region,¹ namely (1) the area, (2) the standard yield or normal outturn per acre and (3) the condition figure, representing the relation of the crop reported to the normal crop. If these three factors are known accurately, the estimated yield is obtained by the following formula:

$$\text{Yield} = \text{Area} \times \text{standard outturn} \times \frac{\text{condition factor}}{\text{normal figure}}$$

1. For a more detailed account, refer to *Indian Agricultural Statistics* by P. J. Thomas and N. S. R. Sastry.

It is acknowledged by all people that the statistics of the area under the important crops are fairly accurate in those parts of this country where land revenue is settled temporarily, due to the practice of keeping statistics of crop area up-to-date from year to year. But in most of the permanently settled tracts, the forecasts of area are based on the reports submitted by village headmen, which are often mere guesses. Owing to the heavy cost involved serious attempts have not been made in those areas to improve the agency for crop reporting; nor was there any great incentive for such action as revenue did not depend on it. Where important commercial crops are grown, however, there was external pressure in this matter. Thus in Bengal, the Indian Central Jute Committee sanctioned five lakhs of rupees in 1937, spread over five years for the improvement of the jute forecast. Prof. Mahalanobis undertook to evolve a scheme of sampling survey which would enable the estimation of the total area under jute with little expenditure of money and time. The preliminary work was done for 3 years, between 1937 and 1940, and the provincial sample census was made in 1941. Fortunately in the same year a detailed checking of the area sown with jute was carried out under the Jute Regulation Scheme. The estimated area from the sample method was 1,576 thousand acres and that based on complete enumeration was 1,533 thousand acres, i.e., a difference of about 3%. It was explained that the sample estimate referred to the middle of the season, and the official estimate to the end of the year, and if allowance were made for the difference in the time-epochs to which the different estimates refer, the discrepancy between the sample and the official estimates would probably be much smaller than that actually observed.² Even as it is, the margin of error is sufficiently small and if the experience gained in this crop is extended to other important crops, more reliable estimates of area even in permanently settled area can be assured. Of course, as in jute, a complete census should be taken once in 5 or 10 years to ensure the correctness of the estimates from samples, and make necessary corrections if any for the intercensal years. But the creation of a new agency to undertake this will mean additional expenditure for the concerned provinces, but in view of the importance of these statistics especially in war time and also of the fact that they are spending very little on village establishments, it is well that they set about doing it at the earliest date.

With regard to normal yield, the complexity of the definition, namely, "the average yield on average soil in a year of average character" is

2. Proceedings of the Indian Science Congress, 1942, part II, Presidential Address, pp. 456.

recognised by all. But there is a fundamental difference of opinion as regards the matter of fixing the normal yield. Bowley and Robertson expressed the view that if the direct method of estimating the yield in so many maunds per bigha, or bushels per acre, is introduced the double error in first fixing the normal yield and then expressing the actual crop in terms of this normal could be completely avoided.³ This, they say, allows greater attention to be concentrated on correcting any bias in the estimates of yield. But the general practice in different parts of the world and the general consensus of opinion which was reiterated by the Conference of Empire Meteorologists, held in London in 1929, is for the retention of the usual method. At present all statisticians are agreed that the standard yields should be fixed on the basis of some objective methods, e.g. crop-cutting experiments on a random sampling basis, instead of by the usual method of selection by the eye even if it be by the experienced officers of the Agricultural Department. The figures of standard yield of crops in India are based on the old methods, and though crop-cutting experiments on a scientific basis have been going on in Madras, the United Provinces and elsewhere the results have not yet been used in a revision of standard yields. Perhaps the Governments want to continue the experiments for sometime more before making any radical changes in their previous estimates of normal yield. But it is necessary that these changes should be made in all parts of the country simultaneously on the same basis, so that the figures for a particular period may be strictly comparable.

The seasonal factor gives the relation of the crop at the time of estimating the standard yield. Estimation of seasonal factor gives the greatest difficulty, and even in advanced countries like Great Britain and the U. S. A., where there are specially trained personnel for this purpose, estimates do not seem to be much more accurate. Pessimism seems to be ingrained in human nature, and in almost all instances estimates are below the actual figures, but the degree of error is found to be very great in India. Various methods have been suggested to correct the bias, the most important of which in India is the Stuart's correction.⁴ In this method the condition factor at the time of estimate is multiplied by a factor C/\bar{C} where C is the seasonal factor for given year and \bar{C} the average seasonal factor of the previous ten years.

As has already been pointed out, the product of these three factors gives the total estimated yield in any region. But the value of these

3. Report on the Economic Census of India, p. 39.

4. Vide *Indian Agricultural Statistics*, p. 24.

estimates will be enhanced only if they can be verified by an independent method. This is rendered possible by a study of the figures of consumption, foreign trade and stocks in U. S. A. and other countries. Even in India, this method can be adopted for commercial crops like cotton, jute, tea, coffee, rubber etc. But, for the main cereals, which are distributed in kind to labourers and retained for consumption by the producers, this method is not applicable. In cotton and jute the estimates were found to differ from the trade figures by even so much as 50 per cent⁵. Hence there is great need to devise methods of independent check.

In some countries attempts are being made to replace these subjective methods of crop forecasts by objective methods, for instance by connecting the crop yields with effects of weather on crops during the growing period, and by the relation between crop yields and meteorological factors and so on. The work is still in an experimental stage and great strides have to be made before these methods can be brought into practical use in forecasts. In fact, Dr. J. O. Irwin pointed out in his paper before the Royal Statistical Society that the full benefit of the work on the subject may not be received for 40 or 50 years!⁶ Meanwhile it may be useful to adopt the sampling method used for estimating the area of jute in Bengal to summate the yield of crops also. Various difficulties will arise when this is done. Investigators may indeed be able to get the people's consent and co-operation for measuring the area under the crop in each sampling unit, but when they proceed to find out the yield also, there may arise difficulties as this would involve some loss, to the owners, of the crop. Therefore greater co-operation will be required from them. Further, arrangements will have also to be made for reporting the exact date on which the crop will be ready for harvesting in each field. Areas of the different fields can be measured more leisurely with the help of a small number of investigators, but if a large number of sample plots are harvested simultaneously, there will be need for a larger number of investigators. Moreover while some crops like rice are harvested all at once, others like cotton are picked a number of times at intervals. Two or more crops may be successively raised on the same field in one year; in other cases, the crop may run for more than one year, and so on. There are many such practical difficulties, but they can be tackled successfully if the general principle of sampling is adopted. Even in the technique of sampling, a ready-made method will not be suitable for all

5. *Ibid*, p. 31.

6. Supplement, *Journal of Royal Statistical Society*, Vol. V. p. 5.

crops, and each case has to be explored in great detail, first on a small experimental basis, the scope of which can be extended later, as was done by Prof. Mahalanobis for jute.

It may be said that such reforms must wait till after the war, but this is a very unwise attitude to take up. It is in war time that agricultural statistics are most needed, and all wise nations therefore prepare for this well in advance. In India such preparations had not been made, at any rate in regard to food crops which now matter most, and hence the urgent need for taking measures to make good the deficiency as early as possible. We have no lack of trained technicians—statisticians, economists, agricultural scientists—to carry out the work, and the incentive provided by the war must be used to capital advantage for rectifying a deficiency which has been a serious impediment not only to scientific economic studies, but to essentially needed progress in economic amelioration.

AN EXPERIMENT IN RURAL BANKING

By

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There is a growing consciousness among co-operators and those who are interested in reorganising our agricultural industry that no tangible improvement can be effected in the economic position of the farmer unless the rural development schemes and the co-operative organisations deal in future with the life of the villagers as a whole and credit, farming and marketing are integrated. There can be no doubt that the most suitable agency for successfully handling the task is a multipurpose co-operative society. Though the idea of the multipurpose society is growing in popularity, and there is a wider recognition of its potentialities even in quarters which have been hitherto over-critical and sceptical, the Provincial and State Governments and Departments of Co-operation do not yet seem to feel enthusiastic over the scheme of developing multipurpose societies. Indeed some of them are opposed to it. The United Provinces alone seem to be encouraging the idea. There the "Village Bank" is making headway. In the year 1940-41 the number of village banks rose from 961 in the previous year to 2,214. Four hundred and sixty five new village banks were formed and 788 existing societies of unlimited liability type were converted into village banks with limited liability. In Madras, the Vijayaraghavacharya Committee on co-operation made a very guarded recommendation in favour of starting a few multipurpose societies by way of experiment in order to gain practical experience of their actual working with a view to expanding them if the experiment proved successful. Even before the subject engaged the attention of that Committee, the Alamuru Co-operative Rural Bank was registered, and it started on its work in 1937-38, as a special type society on limited liability basis for a compact group of villages within a radius of 5 miles of Alamuru. Its objects are mainly those of a well organised rural credit society supplemented by certain accessory functions intimately connected with agricultural industry. Among the objects of this society the taking on lease of Government lands with a view to let them to the Harijan members of the Bank is included and deserves special mention. The aim is to promote joint cultivation or collective farming of these lands by the Harijans, who are generally landless and do not get lands for cultivation on lease. This article is contributed to the pages of

the *Indian Co-operative Review* in the hope that an unvarnished presentation of objective data in regard to the actual results achieved by the working of the rural bank will do more to dispel the misgivings and doubts that still persist than mere abstract propaganda about the virtues of a multipurpose society.*

Area of Operations.—The area of operations of the Bank comprises 12 contiguous villages with an aggregate population of about 32 thousand and holdings whose extent is about Ac. 11,828-57 cents and the assessment Rs. 71,706. Two of the villages are Zamindari villages and the other ten Ryotvari villages. The acreage and the assessments given above are exclusive of the two Zamindari villages.

Alamuru, the head-quarters of the Bank, is on the eastern bank of the river Godavari. All the villages are in a semicircle. In the bed of the river, there are many fertile lanka lands where food crops such as jovar, cholam, pulses and commercial crops such as tobacco, castor-seed and indigo are grown. All the villages are deltaic villages. Paddy of which several varieties are grown, is the main crop. Sugar-cane and plaintain are the two commercial crops raised. Though the villages are deltaic and fertile, the condition of the masses and middle class is poor. Indebtedness is heavy. 75 per cent of the people are landless labourers and tenants. A large number of the owners (Pattadars) of the lands do not cultivate the holdings personally and several of them are absentee landlords.

Membership.—Persons of all castes and creeds living in the villages comprised in the area of operations of the Bank are admitted as members. On 30th Sept. 1942 the total number of members on the rolls of the Bank was 1,876. Out of this number, 830 members are Harijans and thus constitute the single largest group of the members of the Bank. There are 14 Mohammedans, 26 Christians, and 129 Brahmins; the others are caste Hindus of various subsects. Arranged according to occupation, agriculturists number 1,560, non-agriculturists 213 and those who pursue mixed occupations 103. Among the agriculturists numbering 1,560, 393 are cultivating landholders while 176 are non-cultivating landholders; 824 are field labourers and 166 are tenants. It will be thus seen that the large increase in the membership of the bank is due to the admission of landless agricultural labourers. As will be seen later, they receive small loans in kind mainly in the shape of rice and cloth. Pattadars owning lands are freely joining the institution as members, because the liability

*The author of this article was not only the Organiser, but has been the President of the Bank since its inception. He writes with first hand knowledge of the quinquennial progress of the Bank—Ed. I. C. R.

is limited. The Bank had a share capital of Rs. 745 in 1937-38, the year in which it was started. Share capital stood at Rs. 13,581 on 30th September 1942. The inflow of the share capital was steady and rose with the admission of new members and increase of transactions.

The Bank not only caters to the financial needs but renders other kinds of service to the members—ryots and labourers, tenants and landholders, agriculturists and artisans. Members having ownership in land are given loans on continuity bonds on first mortgages, short and intermediate loans for improvement of agriculture and necessities of life. Tenants are given short-term loans on standing crop with 2 sureties for cultivation expenses and payment of kist. Landless labourers are given loans in kind in the shape of rice, cloth and other necessities of life which are stocked and supplied by the Bank. Produce loans are given to cultivators to enable them to hold up their produce for a better market.

Borrowings.—The Bank is affiliated to the Ramachandrapuram Co-operative Central Bank and is financed by it. The Bank also received deposits from members and non-members alike, and deposits are freely offered by men of means both in the locality and outside. During the quarter ending 30th September 1942, the Bank received from depositors a sum of Rs. 15,424 and borrowed a sum of Rs. 10,900 from the Ramachandrapuram Co-operative Central Bank. The Central Bank is sanctioning loans to this institution on the security of its continuity mortgages. These mortgages are scrutinized in the Central Bank and after the financing bank is thoroughly satisfied as regards the value of lands and other particulars, the Rural Bank assigns these bonds in favour of the Central Bank by a registered deed in the same way as Primary Land Mortgage Banks do to get their loans from the Central Land Mortgage Bank. The financing bank sanctions upto 50 per cent of the value of the mortgaged property. Surety loans also are sanctioned by the Central Bank to the Rural Bank when the former is satisfied as to the repaying capacity of the applicants.

Borrowings Outstanding as on 30-9-'42.

		Rs.
Members' Fixed Deposits	..	6,300
Non-members' Fixed Deposits	..	32,642
Members' Current Deposits	..	3,359
Non-members' Current Deposits	..	4,465
Members' Thrift Deposits	..	1,887
Borrowings from Central Bank	..	45,767
		<hr/>
Total	..	94,420

The Bank has also a cash-credit accommodation of Rs. 3,000 from the Central Bank. The maximum borrowing capacity of the Bank is fixed at 8 times the paid-up share capital plus Reserve Fund. The share-capital is Rs. 13,581. Reserve Fund invested is Rs. 10,768. Hence the maximum borrowing capacity works out to Rs. 1,94,792. There is still a margin of over a lakh of rupees to reach the limit of its maximum borrowing capacity.

Loans.—The Bank sanctioned an amount of Rs. 26,034 to its members under 1,188 loans during this quarter.

Loans classified according to purpose.

Purpose of Loans.	No.	Amount Rs.
Supply of rice ..	1,067	9,639
Other family expenses ..	18	750
Purchase of cattle ..	2	270
Liquidation of petty debts ..	23	2,806
Cultivation expenses ..	57	6,304
Education ..	5	355
Purchase of land ..	3	650
Ceremonials ..	2	85
Petty trade ..	10	5,075
Purchase of sewing machine ..	1	100
Total	1,188	26,034

Loans classified as per security.

	No.	Amount. Rs.
Loans issued on standing crop and pledge of produce ..	4	2,855
On ever-continuity bonds on immovable property ..	66	6,204
Surety loans ..	1,118	16,075
Total	1,188	26,034

Loans classified as per period.

	No.	Amount Rs.
Short-term loans below one year ..	1,172	23,503
Below 2 years ..	5	725
Below 3 years ..	11	1,806
	<hr/>	<hr/>
Total ..	1,188	26,034

Loans classified as per denomination.

	No.	Amount Rs.
Below Rs. 10	876	9,519
Below Rs. 50	226	6,506
Above Rs. 50 and Below 100	42	1,785
Above Rs. 100 and below 250	27	2,949
Above Rs. 250	17	6,285
	<hr/>	<hr/>
Total	1,188	26,034

Out of the 1,188 loans sanctioned during that quarter, 1,102 loans are below Rs. 50 amounting to Rs. 16,015. These loans were issued to Harijans and other landless labourers for purchase of rice, cloth and other articles of food. 1,067 loans for an amount of Rs. 9,639 are sanctioned specially for purchase of rice. In June and July, the agricultural labourers in this area have work in the fields especially during the transplantation season. In August and September, the agricultural labourers, both men and women, have no work in the fields. There are no subsidiary occupations for them. They are helpless during this period. During the harvesting season of November and December, they have again work in the fields and during this period they have good earning capacity. Owing to lack of work in the three months of August, September and October, they undersell themselves and borrow from landholders at exorbitant rates of interest. Then they become bond slaves for these petty debts.

Scheme of thrift labels.—With a view to rescue these agricultural labourers from the clutches of the agricultural capitalists, the Bank promulgated a scheme to advance loans in kind in the shape of rice and cloth for amounts not exceeding Rs. 10 to each member and collect the loans in

the harvesting season by the sale of thrift labels through the collection agents of the Bank. The thrift labels are introduced in this Bank to make effective collections from the wage-earners from their daily savings. Labels of several denominations from one anna to one rupee are printed in books and are perforated to be issued as receipts then and there for the amounts paid by members. Each denomination has its own colour and even the uneducated members can easily distinguish from the colour the value of each label. The collection agents daily submit the accounts of the sale of thrift labels in the evening to the Bank and these collections are posted to the various accounts of the members. There are two shandies (weekly markets) in this village. Generally these agricultural labourers attend these shandies and visit the Bank and verify their accounts. Each member is issued a pass-book. The collections are noted in the pass-book whenever they are presented. These savings are adjusted to the loan accounts of these members, as and when required by members. These thrift labels have become very popular among the agricultural labourers. The Bank sold nearly Rs. 10,000 worth of labels and it is a daily flow of money into the Bank. This system helped in educating the members in thrift and economy. Owing to the prompt collection of these daily savings from the labour class members, they are able to repay their debts by regular payments out of their daily savings. If these petty savings are not promptly collected, they would have been utilized by these members for drinking or some other vices. In the year the Bank distributed rice to the value of nearly Rs. 10,000 to nearly 1,100 members. Most of the surety loans are loans in kind. Each Harijan member of the Bank is supplied with half a bag of rice on the surety of two other members of their community. These Harijan members are divided into groups in their *cheries* in the several villages in the area of operations of the Bank. Twelve members form a batch. One of the twelve is chosen as their batch leader. The leader is held responsible for the collection of loan amounts daily out of their savings when they have work. There are three collection agents of the Bank. These collection agents daily visit the *cheries* and meet the members and their leaders. They collect their daily savings by the sale of thrift labels of several denominations ranging from one anna to one rupee. These loans in kind are collected in coin at suitable times in the year from the labour class members out of their daily savings from their earnings. The collections are prompt and there are no arrears of the loans sanctioned in kind. There has been steady progress in the loans advanced. From 75 loans amounting to Rs. 16,066 in 1937-38, they rose to 1,414 loans amounting to Rs. 93,281 in 1941-42. On 30-9-42 the loans outstanding amounted to Rs. 1,02,000,

Progress of Sale of Thrift Labels According to Denomination up to 30-6-42.

	Rs.	A.	P.
One rupee	3,379	0	0
Half rupee	459	8	0
Four annas	2,671	4	0
Two annas	1,249	14	0
One anna	540	5	0

Sale From 1-7-42 to 30-9-42

	Rs.	A.	P.
One rupee	1,307	0	0
Half rupee	210	0	0
Four annas	59	0	0
One anna	23	1	0

Collections.

July 1942	228	0	0
August	924	0	0
September	447	1	0

Staff of the Bank:—The Bank maintains one Manager, 3 clerks, 3 collection agents, one shroff and 2 peons. The monthly cost of establishment amounts to Rs. 200|-. The Bank is able to maintain the staff out of its own resources. Without adequate paid-staff, the business of the Bank cannot be properly run and it is difficult for honorary officers to attend to daily routine. Owing to the increased transactions with a wide area of operations, the Bank is able to maintain adequate staff and attend to daily business and transactions regularly.

COLLECTIVE FARMING AND JOINT CULTIVATION

With a view to help the Harijan members of the Bank lanka lands of Thatapudi village in the bed of the Godavary river were taken on lease from the District Collector with the special sanction of the Government in the year 1939-40. These lankas were divided into 6 blocks and distributed among 60 Harijan members of Thatapudi village. One block of Ac. 153-18 Ootalanka was taken for one year for an annual rental of Rs. 650. Another block of Ac. 96-0 of the same village was taken for lease for 3 years for a rental of Rs. 1,200|- per annum. The whole lanka was jointly cultivated by these members. The Bank advanced the initial deposit to be paid into the Government Treasury,

1³rd of the lease amount for these *lankas*—an amount of Rs. 620|-. An initial capital advance of Rs. 220|- was also given to the Harijan members for purchase of seed and other cultivation expenses. The rental for the first *lanka* of Rs. 650|- was paid away at the end of the Fasali, and the *lanka* was given up as the lease was only for one year. As regards the second *lanka* of Ac. 96-0, the annual rental of Rs. 1,200|- and local cesses were paid to the Government regularly out of the sale proceeds of the produce in the *lanka*. Tobacco, jowar, horse-gram, chillies are grown in the *lanka*. The produce raised in the *lanka* is collectively sold after the harvest. After paying the rental to the Government, the members distributed the profits among themselves. The Bank appointed a special collection agent during the harvesting season to watch the produce raised in the *lanka*. The produce was sold by him after the harvest and the rental realised. By cultivation of this *lanka* the members could find employment when they had no work in the deltaic villages. They could earn their daily wages by working in this *lanka*. The proceeds of commercial crops such as chillies and tobacco were sufficient to pay off the Government rental. The proceeds of food crops such as jowar and pulses were enough for their maintenance. The lease of the second plot expired by the end of 30-6-'42. The Bank again applied for another *lanka* of ac. 83-0 of the same village in the current year. The Collector fixed Rs. 1,500|- annual rental to this *lanka* and recommended to the Government to lease out the *lanka* to the Bank without public auction. The Registrar of Co-operative Societies was pleased to recommend to the Collector the grant of the *lanka* to the Bank.

In Jonnada, another village in the area of the operations of the Bank, 60 members were similarly helped for the cultivation of *lanka* lands given for lease by the Government to an extent of Ac. 150. It is divided into 5 blocks and each block given to 12 members for joint cultivation. In the first year 1940-41, the Bank advanced a sum of Rs. 4,308 for payment of *lanka* kist and purchase of cattle and seeds. The entire amount was collected out of sale proceeds of the produce raised in the *lanka*. This is the third year of the operation of the scheme.

The Bank made arrangements for the collection of its advances out of the sale proceeds of crops in the *lanka*. There are no arrears.

The *lankas* were hitherto enjoyed only by rich agriculturists. These *lankas* were being leased by open auction to capitalistic agriculturists. Even though Government had given preference to Harijans to lease out the *lankas* without auction for a fixed amount, the Harijans were not able to avail themselves of the opportunity properly as they had no

capital. After the liquidation of the Madras Christian Central Bank, the Field Labour Societies were not getting loans. The scheme of joint cultivation promoted by the Bank has proved of great value in improving the moral and material well-being of the Harijan community in these villages. The Harijan members are able to make an independent living out of their honest labour. Their standard of living is raised as they are able to save and make an honest living out of their labour in the lankas. Hundred and twenty Harijan families in the villages of Jonnada and Thatapudi were directly helped under this scheme of collective farming. Pledges were taken from the members that they would give up drink. Incessant propaganda through the paid-agents of the Bank had a great effect on these people in the matter of giving up the evil habit of drink. Granting of lankas to Field Labour Co-operative Societies is of no use to members if capital is not supplied for the purchase of seed, cattle and other cultivation expenses to raise crops in these lankas and if a strict watch is not kept over the produce. The community will be benefitted only when sufficient capital is advanced to them. The Rural Bank has given a practical demonstration in the last three years of how the Harijans could be helped.

There is a proposal to open a dairy in the lanka lands taken for lease by the Bank to supply milk and ghee to the members. There is plenty of grass in these lankas for cattle to graze. There is now restriction in the lease conditions that the lanka lands should be given out only to Harijan members of the Bank. Though the Harijan members are good at cattle rearing, they have had little experience in the preparation of ghee and other milk products. This business is better done by caste-ryots. The Registrar of Co-operative Societies has been requested to recommend to the Government to permit the Bank to start a scheme to open a dairy in the lanka with the help of the caste-ryots, maintaining 50 cows and buffaloes as an experimental measure. Loans will be advanced to members for the purchase of cows and buffaloes. The Bank will not undertake any risk by outright purchase of the products. It will arrange for the sale of ghee and butter produced by the members. After deducting the amounts advanced by the Bank for the purchase of cattle the sale proceeds will be returned to the members, or credited to their accounts in the Bank. This scheme will be tried after the permission of the Registrar is obtained.

Other Activities.—The Bank has purchased a Radio set with two batteries and also opened a Reading-room.

Special varieties of paddy seed were distributed to the members of the Bank by the Agricultural Demonstrator. One seed-multiplica-

tion propagandist was appointed by the Government in the Bank area. He is regularly carrying on propaganda in the villages in the Bank area, exhorting the ryots to use pure seed and grow more food by intensive cultivation with the help of oil-cakes and green manures.

The Bank is supplying rice and cloth especially to depressed class members. In the year 1941-42 the Bank sold 418 bags of rice valued at Rs. 4,430 to the depressed class members.

During the three months, the Bank sold 606 bags purchased at a cost of Rs. 9,613. The prices are increasing daily. The Bank is maintaining a rice depot keeping a margin of half-a-rupee per bag. The General Body of the Bank resolved to purchase Rs. 10,000 worth of rice and Rs. 5,000 worth of cloth this year. The cloth will be purchased and supplied during Dasara and Pongal festivals.

The General Body empowered the Bank to take up agency for supply of kerosene to members. An application was made to the District Collector through the Deputy Registrar of Co-operative Societies, Rajahmundry, to issue a licence to the Rural Bank to supply 60 tins of kerosene to its members who are nearly 2,000 in number. The licence is not yet issued by the Collector. Owing to the scarcity of kerosene in the villages, there is regular street fighting to obtain a bottle of kerosene. If kerosene is supplied to co-operative institutions, there will be a proper distribution and a good check on the profiteering middle men. The ordinary licence holders are not distributing kerosene to the poor people, as they have too many obligations.

The two main apprehensions of those who were opposed to the idea of a multipurpose society, with a fairly wide area of operations and on a limited liability basis were: (1) a multipurpose society being essentially a rural credit primary society will not be able to command adequate resources in the shape of deposits and accommodation from the financing banks, (2) the poorer and particularly the landless classes who join a rural primary society as members cannot obtain any credit from it unless the richer members who possess sufficient assets pledge their unlimited liability for the benefit of members who have no such assets. It may be legitimately claimed that the results of the experiment set out above demonstrate that these apprehensions are without foundation. Instead of the poorer classes who constitute the bulk of the members of the society being subjected to disabilities of the nature apprehended, they have derived more substantial economic benefits from the society than it would ever have been possible for them to obtain from an ordinary rural credit society. The success of a multipurpose society depends upon the method of approach to the social and economic needs of the members and on the ultimate aim that is kept in

view. The rural co-operative credit organization must be looked upon as an integral part of the larger programme of rural reconstruction or re-organisation of our rural economy on the basis of social and economic justice and more equal opportunities in life to all sections of the community. Indeed in the area of Alamuru Rural Bank the acute social malady of the haves thriving on the fruits of the labour of the have-nots while to the latter all avenues of independent living are shut out already shows signs of yielding to co-operative treatment. The efficacy of co-operation as a new force in the better ordering of rural economic life is making itself felt.

THE WAR AND DEVELOPMENTS IN CONSUMERS' CO-OPERATION

By

P. S. LOKANATHAN,

Very few even among co-operators seem to be aware of the rapid and almost revolutionary change that has taken place in the structure of the co-operative movement in Madras Presidency during the last few years and especially since the outbreak of the war. Co-operative credit and finance still continue, as they undoubtedly will for a long time yet, to occupy the first place in co-operative activity, but the extreme one-sidedness and lack of balance which characterised the movement in Madras as elsewhere are now tending to disappear. The non-credit activities of the movement are definitely growing, and the charge that co-operation always means co-operative credit and nothing else can no longer be made with justification.

To the redress of the balance nothing has contributed so much as the extraordinary and striking progress witnessed by the store movement since the war. The Vijayaraghavacharya Committee appointed so recently as 1938 had, beyond a brief historical review, not a word to say on consumers' co-operation, indicating the slight importance it attached to it. The number of stores in June 1939 was only 85. Within a year it increased to 236 and in the following two years the number of stores went up to 354 and 432 respectively, while at present there are 500 stores. Thus within a little over three years the number of consumer societies increased by nearly six times. Equally marked has been the rate of growth of school and college store societies which are a special feature of co-operation in Madras Presidency. From 94 in 1938-39 the number increased to 222 in 1939-40, to 254 in 1940-41, and to 267 in 1941-42. The volume of transactions in the store societies has also shown a considerable increase, from Rs. 35.63 lakhs in 1939-40 to Rs. 73.06 lakhs in 1941-42.

The war has certainly given an impetus to consumers' co-operation through the growing recognition that the public can be protected against exploitation and profiteering by the private merchants only through co-operative organisations. Attempts at regulation of prices without the machinery for enforcing control have often proved ineffective, and Government realised that side by side with their efforts at putting down pro-

fitteering by fixing what are known as fair selling prices of essential articles they must also help in the establishment of co-operative stores which will actually translate into practice the intentions of Government. The Department of Co-operation in Madras set itself to the task of increasing the number of stores with praiseworthy energy and the public were ready and anxious to join in the effort, being conscious of the urgency and benefits of such co-operation. The inauguration of stores was itself a check on profiteering in places where they were started.

The growth of primary stores was facilitated by the establishment in certain districts of co-operative wholesale societies for the first time in the Presidency. Until 1938-39 there was no society of the kind. In 1939-40 two were started of which the Madura District Co-operative Wholesale Society was the more important; in 1941-42 there were 8 wholesale societies, while to-day the number is 9 serving thirteen districts. This is a line of development most welcome to co-operators as stores in rural areas and small towns cannot get their supplies otherwise so easily and at fair prices.

Another feature of consumers' co-operation has been the remarkable growth in the number of workmen's stores, especially of stores connected with textile workers. There were a few workmen's stores before the war, e.g. the Euckingham and Carnatic Mills Stores, the S. I. Ry. and M. S. M. Ry. Stores, but these were not co-operative. After the war broke out a number of mill stores was organised by the Department of Co-operation in Madras, particularly in Madura and Coimbatore, the two important textile centres of the province. By June 1942 there were 33 mill stores catering to the needs of workers employed in several factories. Some of these stores receive considerable aid from employers by way of rent-free premises and subsidy. The Madura Mill Company, for example, has, besides giving very spacious premises for a nominal rent of Re. 1 a month and advancing working capital at low interest, been granting subsidies year by year with a view to enabling its workers to get rice and other articles at less than market prices.

Apart from the definitely working class stores, the ordinary societies have also set themselves out to cater to the needs of the public and not merely to the members. The lead in this direction has been taken by the T. U. C. S. which for some years past had been trying to enlist poorer sections of the population by enabling new entrants to pay their share subscriptions in small instalments and by selling inferior grades of articles so as to meet their requirements. But the war threw on the Society new responsibility and sales were thrown open to the public and not confined to members; and the by-laws were suitably amended for the purpose.

II

The value of the store societies was vividly brought home to the public and recognised by the Government on account of the successful way in which the T. U. C. S. faced the emergency situation in April 1942 when nearly all the wholesale and retail merchants had left the city, leaving the entire burden of feeding what remained of the city population to the T. U. C. S. Government had wisely provided for a contingency of this kind by entering into an arrangement with the Society. The scheme consisted of two parts; one was the stocking of certain essential articles of consumption in special godowns so as to meet a situation when temporarily the city might not be able to get its regular supplies on account of a breakdown of transport. The other was the arrangement to open a number of emergency shops in all parts of the city so as to ensure that in every municipal division of the city there would be at least one shop of the T. U. C. S. from which the public could buy their provisions. The dramatic suddenness with which a scare developed in the city and the way in which the T. U. C. S. faced up to it have been described elsewhere.¹ Its significance for us to-day lies in the revolutionary change it brought about in the attitude of the public and the Government towards consumers' co-operation. Government realised that they have in a co-operative organisation the means and instrument by which they can ensure effective distribution of articles to the public whenever there was scarcity. They were able to regulate and effectively to restrict the sale of articles by enforcing a loose kind of rationing. For example, the sale of rice was limited to Rs. 5 at a time to any one buyer. Later similar restrictions were enforced in the case of articles like kerosene oil, sugar and cheap varieties of boiled rice. The relations between the Government and co-operative societies became closer and got increasingly mixed up. Government have continued to extend the scheme of arrangements with the T. U. C. S. for further periods of six months successively and have proved themselves willing to assist the T. U. C. S. in every way by providing the necessary transport for moving the goods to the city and by advancing Rs. 1 lakh free of interest for the working capital needs of the emergency shops and granting a further sum of Rs. 2 lakhs at interest not exceeding 3¾ per cent.

The success of the T. U. C. S. emergency scheme has led to an appreciation of the wider possibilities of fruitful co-operation between the Government and co-operative societies. In the face of a possible

1. Emergency Service of the T. U. C. S. by K. C. Ramakrishnan. *Madras Journal of Co-operation*, May, 1942.

shortage of essential foodstuffs leading to profiteering and to the growth of black markets, it is felt that Government can extend its sphere of usefulness by arranging with all co-operative wholesale societies in the province to buy and store essential articles at the right seasons and thus prevent scarcity and excessive prices. Government are examining the proposal and it is hoped that ere long action will be taken.

The public's appreciation of the utility of the stores is exhibited in various ways. The departmental drive to inaugurate new stores coincided with the active demand of the public for their establishment. The increase in the number of members in the T. U. C. S. and other societies which is steadily growing month by month despite the fact that sales are not restricted to members shows their popularity. In times of high prices like the present it is perhaps not surprising that the stores which obviously sell at prices fixed either by the Prices Advisory Committee or by their own managing committees who are inspired by public policy should get an accretion of membership. Membership is drawn from widely different sections of the population with the result that the stores can to-day claim to be more representative than before, though the poorer sections are still outside the movement.

The large and sudden increase in the volume of business has forced the stores to tap different sources of supply and incidentally brought about a line of development which co-operators have been looking forward to for several years. It has been often a matter of complaint that the T. U. C. S. and other stores have not always been making use of sales societies, and bought goods directly from producers and merchants even where co-operative marketing societies existed which could meet their demands. Much of the criticism was, of course, unjust and based on ignorance. The critics ignored the fact that many of the sales societies were ill-organised and inefficient and could not guarantee to supply goods of the quality and at prices which could satisfy even the most reasonable consumer society. But whatever the causes it is true to say that neither the marketing societies nor the stores established the right kind of mutual contact and neither would seek out a solution that will be fair to both sides. In the result as Mr. S. A. Venkataraman, Registrar of Co-operative Societies, pointed out, "the movement is an aggregate of pieces rather than a whole of coherent parts. Consumers' and producers' co-operation have not yet achieved a dovetailed structure." The last three years have certainly marked a distinct improvement in the direction of bringing together the stores and producer societies. The T. U. C. S. alone bought a large quantity and variety of articles from the several co-operative sales societies and Federations in the Presidency.

Raw and boiled rice, dholl chillies, butter, ghee, coffee, groundnut oil, coconut, and charcoal were some of the articles supplied by the sales societies. The society also bought fruits and vegetables from the marketing societies and got nearly the whole of its requirements in its piecegoods section from the Provincial and primary co-operative handloom societies. No doubt conditions have been exceptional. During the last few months co-operative stores were anxious to get goods from all available sources and were not too particular about quality or prices. The true testing time will come after the war is over and when more normal conditions are restored. But the contact that has been now established will not altogether go in vain; and provided there is genuine desire on both sides to effect a just solution of their problems it should not be difficult to reconcile their apparently conflicting interests.

Rural stores, partly out of necessity, have been more loyal to the wholesale than urban stores. The difficulty of securing the loyalty of primary stores arises on account of the fact that the wholesale societies are not able to get goods at prices lower than are possible to primaries. The attempt to compel stores to buy everything from the wholesale society is resented as the purchasing agency of the primary stores is able to buy in the open market more cheaply than even the wholesale. Not until the wholesale societies develop their business capacity better and prove their efficiency should compulsion be resorted to. At the same time, in the early stages of their career if wholesale societies are left high and dry without the support of the primary stores, the movement will suffer a serious set-back. Hence the task of co-operators should be to bring about a better mutual understanding between the two, and the proposal to associate representatives of primary stores on the board of management of the wholesale deserves full support. But any attempt at compulsory loyalty or at preventing primary stores from getting finance from central banks except through the wholesale society seems to be undesirable in existing circumstances.

III

Co-operative societies have always aimed at just and fair prices and in normal times are able to realise this aim by selling at market prices. Where retail market prices are either unfair or far above replacement costs, co-operatives can always force the market to follow their lead by their continued sale at prices fixed by themselves. The Rochdale principle of selling at market prices and granting a rebate on purchase is a sound one, as the alternative of selling below market prices and foregoing "divis" not only may lead to needless

friction with the private dealers but also to the abuse of resale to the public. That is why even where as in the case of a working class store like the Madura Mill Store in which there is a compact body of members well known to one another, sales below market prices have led to abuses. Hence co-operatives in India have in theory accepted the principle of sale at market prices as their guide; but in practice there have been wide variations. The market price in the case of several articles is not something definite and fixed but on account of lack of standardisation varies with the innumerable variety in which the articles are sold. Many societies have therefore fixed prices based on costs plus a little margin; and provided sales are confined only to members who may be expected to be loyal and honest the plan works out fairly successfully as the occasional high prices do not lead them to go elsewhere and low prices do not lead to a rush of buyers or to resale.

But in the abnormal conditions brought about by the war, the price policies to be pursued by the stores become a more complicated affair. Soon after the war broke out the commodity markets became panicky and the so-called market prices were not only soaring up but fluctuated day by day in an upward trend. Were the stores to follow the market in all its bewildering variations or to sell at the old prices until their existing stocks were exhausted and they were driven to buy new stocks at high prices? Where market fluctuations are the result of purely temporary factors, and speculation may not be expected to last long, the stores by continuing their old prices may bring about a steadying influence on the market. But the idea that consumer societies in India can control or regulate market prices and should always sell at their own cost prices irrespective of market prices—an idea widely entertained even in quarters where better understanding may be expected—is based on a complete misapprehension of co-operative theory and practice. The recent rapid rise in the price of rice and other essential articles has led to the criticism that co-operatives should not have followed retailers in their high prices but should have continued to sell at the old prices and thus have brought down market prices.

The fact of the matter is co-operatives have no such power, however willing they may be to bring down prices. In so far as the high market prices are the result of purely temporary speculative factors and may be expected to come down in a few days, the duty of the stores is clear. They should not profiteer like private merchants. But where high prices are due to more permanent factors, such as an actual or anticipated deficiency of supply or increase of demand, co-operatives have no choice except to follow the market prices. They have no control over supplies and are not producing goods themselves. All that they can do

is at best to sell existing stocks at low prices, the benefit of which will go to some hoarders or others who will resell at a high profit. After the stocks are depleted fast, the co-operatives will have to buy in the open market at increased prices and unless they are prepared to suffer indefinite loss, they must sell once again at market prices. Indian co-operatives have not organised production departments like the British societies and until they are able to command the sources of supply their power of fixing prices will be almost nil.

Even the T. U. C. S., the biggest store in India, finds itself unable to control the market in any manner. Its influence on the retail market is of a limited character. Its prices are the standard and guide for all buyers in the city and it protects the public from exploitation by the less scrupulous retailers. By its guarantee of weight and quality it has improved market practices. It has also been able to some extent to influence prices at the trading centres by its intervention to buy or withdrawal from the market. This is particularly noticeable in respect of rice in Nellore district from which the society gets the bulk of its rice. Its power of influencing prices will increase only if its turnover increases. At present despite the increased membership and increased turnover due to sales to the general public, only six per cent of the retail trade in rice in the city is in its hands, and in the case of other articles it is even less. Co-operative societies in India will have to travel a long, very long, road before they can think of enforcing their price policy upon even the retail markets. Even in the matter of improving trade practices their influence has not been appreciable. Butter, ghee, and oils may still be found to be sold in co-operative societies in an adulterated form. The legal protection against prosecution which societies enjoyed on account of their mutual trading character has been now removed, and rightly so. For if co-operative societies will not establish a testing machinery to detect adulteration before placing the goods at the counter, they deserve no sympathy. And yet even the premier co-operative society like the T. U. C. S. has yet to establish an organization for the purpose. It is still at the mercy of private trade. By directly producing gingelly oil, it has ensured its purity; but no device has been discovered to guarantee the purity of other articles. Either it should produce all such goods itself or should assist in the formation of co-operative producer societies from whom it can get all its supplies.

IV

The war has revealed the potentialities of the consumers' movement. In any scheme of price control, it would be impossible to ignore the value of co-operative stores. Government have found in the existence

of stores an agency through which they can enforce their price policy. The experience gained recently in respect of the sale of sugar, kerosene oil and cheap rice through the T.U.C.S. and other co-operative stores gives one hope that a plan of rationing and price control can be successfully worked out in the case of all essential article. The T.U.C.S. was among the foremost to press upon the Government to fix the maximum prices of rice and other essential articles and to guarantee to the producer minimum prices as well. Government have been rather slow to take action by direct methods but are depending on control of movement of goods and of transport to prevent further rises in price. Co-operators are also persuading Government to enter the market at the proper seasons to buy rice and other articles either directly or finance co-operative societies in the seasonal purchase of large quantities and store them. If this is not done, price control will break down in the absence of controlled supply. It has been now recognised that large and active co-operative stores are the best guarantee against the development of black markets.

Rationing of sugar, kerosene oil and cheap rice was attempted at Madras recently but greater success would have been achieved if the co-operative society was assured of a definite supply. The T. U. C. S. had a plan of rationing sugar and kerosene by which every one of its customers could get a limited quantity based on his requirements. Before however it could be put into practice, the need for rationing sugar disappeared, and Government evolved a scheme of their own for the distribution of kerosene through the agency of the oil companies. It is unfortunate that the services of the T. U. C. S. were not availed of for this purpose; but the rationing scheme works fairly successfully as Government were able to utilise the large staff of A. R. P. men in collecting data and distributing cards.

The T. U. C. S. has been permitted to open cheap rice depots all over the city on the basis that Government would agree to supply the rice and allow the society a small commission to cover its working expenses. Besides its 35 branches and 30 depots already opened, it is proposed to open another 40 depots exclusively for the sale of rice to the poor.

In these and other ways co-operative stores all over the Presidency have been displaying commendable enthusiasm in seeking to do service to the public in the very difficult conditions brought about by the war. They have had to face new problems and are not always well equipped for the task. Government have on the whole been anxious to assist co-operative stores by providing them with financial facilities and transport

priorities. But on account of the presence of certain vested interests, they are unwilling to go far in extending the area of fruitful co-operation with consumers' societies.

V

The developments in consumers' co-operation sketched in the foregoing pages impressive as they may be to superficial observers cannot but be a source of the greatest anxiety to students of co-operation, for the question forces itself upon us: Are these developments likely to survive the war? Will this rapid expansion of the movement be followed by equally rapid decline? Can co-operators do anything now to ensure that a little at least of the progress made by the movement is retained and consolidated? These are important and urgent questions, and some tentative observations may here be ventured.

It must be acknowledged that not all the new stores that have been opened recently have been started after adequate preparation. They were often the result of hurried activity and fleeting enthusiasm and are not likely to last even as long as the war lasts. Some of them have not a glimmer of the ideals of co-operation and adopted practices at variance with true co-operative principles. They will get short shrift; nor need one regret their liquidation. But there exist a number of other societies whose future will depend upon the extent to which from now they prepare themselves to meet the inevitable crisis after the war when membership will fall, turnover decline and profits dwindle. They should take early steps to consolidate the position already gained and strengthen their activities in all possible ways. Co-operative education and co-operative organisation are the key to success in the future as they have been in the past.

In the first place the societies should strengthen the links which have drawn new classes of customers to themselves. A very large number of the poorer sections have established some contact with the stores. Their needs and requirements should be studied, the kind of goods they want should be purchased and sold them at the cheapest possible price and their loyalty should be strengthened. Stores should therefore be more broadbased and serve different levels of the population. Membership should be made accessible to all by reducing the value of a share to Re. 1 payable, if need be, in two or more instalments.

Secondly, success will depend very much upon the ability of the stores to buy efficiently and take advantage of the large differences that exist between prices at seasons and those later. Market research is a sub-

ject which has not been the subject of any study by co-operative stores. Although the T. U. C. S. has been in recent years attempting to store certain articles like paddy, jaggery, tamarind, soapnut and others by seasonal purchases in bulk, more should be done in that direction. Even to-day very few societies have a full and thorough knowledge of the commodity markets in the different regions in the Presidency, and unless the fullest advantage is taken of the margins between certain periods of the year, societies cannot work at a profit.

Thirdly, the system of internal organization of many societies should be modified. Many of the stores depend upon the free and voluntary services of Boards of Directors, who are themselves workers elsewhere. They have neither the time and ability to understand the methods of business, nor can they be expected to become efficient businessmen. Even if they have the time it is doubtful if they should do work which should be legitimately done by the paid trained staff. The trouble in most co-operative societies is the meddlesomeness of the Directors in work which belongs essentially to the paid staff. Directors interfere too much in the internal management of the society whereas they should be concerned only with the policies and principles of business administration. Hence if co-operative societies are to be successful they should bestow greater energy on creating an efficient and honest staff who will manage the affairs of the society subject to the control of the Board of Directors. It must also be frankly stated that co-operative societies do not always get the right men on their board of management who are animated only by the desire for public service. Further, the constitution of several societies has provided for such a large number of checks and counter-checks that while perhaps serious abuses and dishonesty could be prevented no progress, speed or drive can be achieved. Not until the stores are informed and guided by the same principles of business management which have contributed to the success of large joint-stock businesses can they hope to achieve permanent results.

Fourthly, co-operation is as much a method of profitable production, as of efficient distribution. It should effect savings in production which are now lost to it. Recent events have shown that control of supplies is the only way by which it can protect its customers against exploitation by the retailers. Two courses are open to consumers' co-operatives. One is to undertake directly new lines of production as British societies have done. The other and in the circumstances of India the better way is for them to establish definite contact with large producers' societies by getting representation on their management and by directing them to produce to the requirements and orders of the stores. With a guaranteed

market the producer societies can go forward and undertake efficient production. By this process of mutual aid the unity of the co-operative movement can be strengthened, and workers, e.g. in the handloom, farmers, producers of dairy products can all be benefited.

Finally, the future depends upon the loyalty of all interested in co-operation to its ultimate principles. Co-operation stands for a noble ideal, and in its day-to-day activities follows certain well-known principles which have stood the test of time. These should not be sacrificed for temporary gains. The moral foundations of the co-operative movement should not be ignored, and success will be only temporary if co-operators merely pursue monetary gains, for in the game of purely material success private business can always score against co-operative societies.

REVIEWS

YEAR BOOK OF AGRICULTURAL CO-OPERATION 1942.— (Edited by the Horace Plunkett Foundation, Heffer & Sons, Cambridge).

The Horace Plunkett Year book, which endeavours to bring our knowledge of agricultural co-operation up-to-date, has been shrinking in size from year to year since the war began. It must be due not merely to the scarcity of paper, but to the dearth of human material to work at the various features which characterised the year books of the previous period and to the difficulty of securing data from the war-torn states of Europe and Asia. The current year book has no digest of co-operative law, no bibliography of co-operative literature and it has only a very short review section, which, besides a few brief notices of co-operative publications in America, contains only a single, but a brilliant, review by Dr. C. R. Fay of the new cheap edition of that great classic of the last decade, *Soviet Communism* by the Webbs.

The 1942 year book begins with a beautiful thumbnail sketch of Horace Plunkett by Prof. W.G.S. Adams, who had served under him in the Irish Department of Agriculture and could throw some fresh light and underline some special qualities of the great master. It would please Indian readers to know that Plunkett's interest extended to India and China, and but for his declining health he would have served on the Royal Commission on Agriculture in India—for which, however, he prepared a very elaborate memorandum on rural life policy.

Mr. Percy Redfern, a well known authority on Consumers' movement, discusses in a vivid manner the relation between the consumers' and agricultural producers' organizations for over a hundred years, with a great deal of sympathy towards the agricultural movement. He pleads for the removal of misunderstanding and for the joint establishment and maintenance of research and information bureau.

There is a very informing note (by the Foundation staff it must be) on the Emergency Legislation relating to agriculture in Great Britain (1939-41) which readers in India will find very topical because of the threatened scarcity of food stuffs since the fall of Burma into the hands of Japan. It will be a mild shock to them to note the sweeping and arbitrary powers vested in the Minister of Agriculture and the local War Agricultural Executive Committees who could, indeed, do anything with the land for the duration of the war and sometime after. At this distance

of time and place, the legislation strikes us as well-planned and comprehensive, compared with the haphazard feeble attempts made in India; but it has been criticised as piecemeal and opportunist.

How far agricultural co-operatives in Great Britain are genuinely co-operative, judged by the financial policy they follow, is the subject of a learned contribution by Mr. W. H. Jones. Application of these tests to Indian societies will cause many searchings of heart.

Mr. J. C. Knapp of the Farm Credit Administration (U.S.A.) traces succinctly the growth of large scale co-operative marketing, and supply societies in the United States, which now do business on a scale that we should call colossal in this country. Undertaking of side-line or multi-services by way of supply or processing, is a recent development in several societies. Among the most interesting and useful new services are the provision of cold storage facilities to farmers through 'frozen food locker plants' and the electrification of farms and farm houses. The account of the variety of co-operative credit institutions—for short, long and inter-terms—and co-operation for the rehabilitation of low income farmers will be read with keen interest in India.

Dr. N. Barou gives a compact and lucid account of collective farming in U.S.S.R.—its aims, achievements, difficulties met and overcome. The phenomenal increase in the productivity of land as seen in the yield of crops and of milk and meat is most impressive; so is the improvement in the standard of living of the farmer, as judged by the consumption of textiles, footwear, cosmetics and cultural goods, (books, musical instruments etc.) There is a tragic irony now attaching to this sketch, which was evidently done before the onslaught of the German army into Ukraine etc. How much of it is scorched earth, how much has ceased to be collective, because of a change in Government, cannot be known at present.

Mr. R. Boyd writes with zest of the revival of societies of paddy and rubber planters in Malaya and of their growing prosperity on account of the war demand. What their fate is at present in the Japanese regime, nobody can guess.

There is a critical account by 'a correspondent' of the Industrial Co-operatives in China, which we note are essentially a war-time organization meant to supply goods like army blankets, uniforms, medical supplies and small arms. Those which require heavy plant are located in rear zones, while those which can be quickly moved are 'Guerilla industries' located near the war zone. Difficulties—financial, economic, educational and political—are pointed out as hampering the growth, which evokes our sympathy, as they are similar to our difficulties here.

The most interesting and substantial contribution to this year book is that on the allotment movement in England and Wales by Dr. C. R. Fay and H. C. Fay. We get a delightful description of how the urban allotment movement (by which an urban worker is provided with a small piece of land which he can cultivate as his hobby and with the help of his family) provides a partial cure for some urban evils like unemployment, bodily and mental fatigue in factory or office work, and provides also some of the 'protective foods' for the family and how 'it is economically a pocket of liberty, for no food controller will stop a man for consuming what he raises for himself.'

Among allotment holders co-operative buying of garden requirements is said to have increased considerably in the last decade. Co-operative selling of produce is of little importance, since the main aim of allotment is to produce vegetables, flowers and fruits for family use rather than for sale. In fact even before the war, half the vegetables grown and over a third of those consumed in England were produced on allotments and private gardens. Now they supply a very much greater proportion of the country's needs. It is a pity that in India nothing like this movement has ever been thought of for the masses of urban workers whose love of land is by no means less. With the increasing restriction in transport, the plight of consumers of vegetables is pitiable, especially as they have to compete with the contractors for military supplies.

Though the *Year-Book of Agricultural Co-operation* has gone down appreciably in bulk, it has suffered little in quality. We have great pleasure in commending the volume to the attention of the co-operators in India.

K.C.R.

INDIAN ECONOMICS, VOL. II. By G. Jathar and S. G. Beri, (VI Revised Edition. Oxford University Press, Rs. 6).

This text-book of Indian Economics is deservedly popular with not merely the students in colleges all over India but with the laymen who have any inclination to study Indian economic conditions for themselves. The survey of the large scale industries is brought up-to-date. The effect of the war in stimulating further industrialization is noticed. In the chapter on transport (which deals mostly with the railways) attention is drawn to ship-building and aircraft construction facilities and to the prospect of building up an automobile industry in India. To the long account of currency and exchange is added a short note on price control, its pros and cons in a time of war. The futility of the steps so far taken in this direction could not have been foreseen when this edition was in the press,

The effects of the war on India's foreign trade have been presented in an impartial manner and the findings of the Gregory-Meek trade mission to the United States are recorded with some comments. In the chapter on finance and taxation, a little too much space is given to the tracing of the financial relations between the Central and Provincial Governments and not as much as we would like to a discussion of the issues involved in this and other problems of finance. As is natural, more attention is paid to the happenings in several fields in Bombay Presidency than in the rest of India.

This stout volume covering more than 650 pages of closely printed matter is offered for Rs. 6, which is a marvel of cheapness at present. Co-operators who care to be well posted with the economic background in which they have to work are sure to find a lot of useful material in this book.

—*Editor.*

CO-OPERATIVE SOCIETIES AT WORK IN INDIA

BENGAL

Extracts from the Report of the Registrar of Co-operative Societies, Mr. A. Ahmed, Esq., I.C.S. for the period ended 30th June, 1941.

Agricultural Credit: (i) **Frozen Debts.**—The agricultural credit movement continued to give anxiety to the department and to absorb most of its attention. A number of Central Banks are unable to meet their commitments to depositors; a large number cannot even meet the cost of their establishment without drawing upon their capital. Such has been the case now for some years. If the year is good and their collections improve these banks show signs of revival; when crops are below normal or prices are low they revert to stagnation. In the past various expedients have been tried to liquefy the frozen assets of these banks. Repeated concessions have been given to the members by way of remission of arrear interest due and in some cases even of part of the principal in the hope of stimulating repayments. These concessions generally failed to achieve their purpose, as indeed any concession which does not take into consideration the actual repaying capacity of the debtor must fail. A concession to be effective must be based on the actual repaying capacity of the debtor. If frozen debts are to be thawed they must be reduced to an amount which the members of the societies can pay. Nothing short of this will suffice. Unfortunately many of the Central Banks have not yet sufficiently grasped this cardinal fact and still look upon debt settlement boards set up to reduce debts to an amount which the members would be actually able to pay with disfavour and suspicion.

It is becoming increasingly clear that the agricultural credit movement in this Province has reached a stage when no mere tinkering will suffice. No measures that do not go to the root of its troubles will help to revive and rehabilitate it. The Co-operative Societies Act of 1940 which will come into force shortly will go to solve some of the administrative difficulties and enable societies more effectively to deal with recalcitrant members or wilful defaulters and to prevent a repetition of mistakes that were committed in the past. But the fate of the Central Banks is bound up largely with their ability to liquefy and recover the loans now lying frozen in their societies. Any scheme for rehabilitating them must therefore concern itself primarily with the problem of these loans. The most important thing obviously is to ascertain how far these loans are recoverable; in other words, what is the amount that the members can actually repay and what are their assets. Not until this is ascertained will it be possible to devise any satisfactory rehabilitation scheme to set these banks on their feet. It is with this end in view that Co-operative Debt Settlement Boards have been set up. They will not only facilitate the recovery of these loans by reducing them to an amount which the members can pay, but will also furnish the Central Banks valuable data as to the reality of their assets, data which, as pointed out above, are essential to the framing and execution of any rehabilitation scheme.

It is essential that this examination of the repaying capacity of individual members should be conducted with the greatest possible speed. Unfortunately

the work of the Central Bank Debt Settlement Boards now working has been slow. Steps have been taken to remedy this defect and proposals involving a large increase in the number of these boards have been submitted to Government.

But matters will not be left at that. It is intended meantime to reconstruct agricultural credit societies and to introduce other changes calculated to strengthen their financial position and improve their working. Proposals to this effect have recently been submitted to Government. Some of these proposals are far-reaching and somewhat unorthodox in character but, as stated above, the agricultural credit movement has come to a stage where it demands a realistic recognition and handling of its problems.

(ii) *Short-term loans.*—It is necessary to revise some of our ideas about the demand for short-term loans and the manner in which it could best be met. It is difficult to estimate the extent to which private supplies of rural credit have shrunk. But it is almost certain, however, that the shrinkage is not as great as is generally assumed. For in no year throughout the depression when the cultivators were unable to repay loans already contracted and creditors unwilling to lend or even after the setting up of debt settlement boards and the passing of other debt legislation, making money-lending less remunerative, than previously, has any considerable portion of the land remained uncultivated for lack of necessary finance in any part of the Province. This fact goes to show that there has been no serious shortage of credit in so far as the basic requirements of the agricultural population are concerned. It appears that money-lenders are still issuing short-term loans on the personal credit of the borrower though this type of lending is not on anything like the scale on which it went on before the depression set in. In this connection it may be noted that loans incurred after the 1st of January 1940 have been excluded from the operation of Debt Settlement Boards. Further, the restrictions imposed by the Money-Lenders' Act will ordinarily operate only when a debtor seeks the help of a court. Debtors who can be trusted not to force the creditor to a civil court or who are unable to do so, can be and are in fact being advanced short-term loans by money-lenders on personal security as in the past. The majority of the cultivators, however, can obtain the necessary finance only by selling or pledging property and it is because of this that while improvident borrowing has largely disappeared the demand for assistance from Government or co-operative societies has become insistent.

Obviously Government cannot meet the requirements of the entire agricultural population—a simple fact but one which people in this Province are inclined to over-look in their anxiety to help agricultural debtors or in their zeal for reforming the machinery of rural credit. To finance agriculture we must harness private capital. It is necessary therefore to devote increasing attention not to passing legislation likely to restrict or destroy private supplies of rural credit in the hope that the deficiency so caused will be supplied by Government but to improving the working of and strengthening credit societies so that private capital may begin to reflow into them and through them to the cultivators generally. Till it does so the necessity for Government to place funds at the disposal of co-operative societies for short-term loans will continue. But the supply of credit by Government should not be looked upon as an end in itself.

While it is the aim of this department to bring within the ambit of co-operative credit every cultivator who needs loans for agricultural operations as rapidly as

possible it has been found necessary to strike a note of caution in the matter of organising new societies. In the years 1939 and 1940 some 13,000 societies were organised and it appears that in their anxiety to help cultivators obtain cultivation loans, organisers have at times preferred to achieve speedy results rather than sound organisation. Departmental officers have been warned that new crop loan societies should be organised only where there is a genuine and spontaneous demand for such societies from the cultivators and that while such demand should be met as speedily as possible, under no circumstances should organisation be undertaken hastily or the mistakes committed in the past repeated.

On the whole the present system of issuing crop loans has so far been successful. In 1939-40 (financial year) some Rs. 20 lakhs was so issued (Rs. 13½ lakhs from Government and the rest by the Provincial Bank out of its own funds) and fully recovered. In 1940-41 (financial year) Rs. 45½ lakhs was issued as crop loans of which Rs. 40.12 lakhs was recovered in cash. The occurrence of this default is disquieting but it is ascribable generally to the disastrous fall in the demand for and the price of jute that year and the failure of crops in certain areas. Government have provided Rs. 60 lakhs in the budget for 1941-42, of this about Rs. 44 lakhs had been issued by the middle of September 1941.

The working of this system has, however, disclosed certain shortcomings. Firstly, it has become necessary to secure closer co-operation of the District Officers to avoid overlapping of finance, that is, (1) to prevent agriculturists from borrowing simultaneously from co-operative societies and from the district authorities, and (2) to ensure that wilful defaulters to whom crop loans are refused as a disciplinary measure do not obtain agricultural loans. Proposals to this effect have recently been put up to Government. Secondly, contrary to the expectations originally entertained, in the majority of the Central Banks the issue of these loans has adversely affected their financial position. When in 1939 Government decided to place funds at the disposal of the Provincial Bank for the issue of short-term cultivation loans to cultivators through co-operative societies they intended thereby not merely to help them to finance agricultural operations for which credit was otherwise difficult to obtain but expected that these loans would go to revive the agricultural credit movement generally. It was hoped that the issue of these loans through Central Banks would enable and encourage members to repay their old debts in an increasing measure and would at the same time leave these banks with some profit on short-term loan transactions. The expectation has not always been fulfilled. So far from improving recoveries of old loans, the issue of short-term loans has in the case of many banks had the effect of reducing them, partly because the collecting staff of the banks devoted its attention primarily to the collection of short-term loans and collection of old loans fell into the background, and partly because members seemed to think that in order to obtain crop loans again it was necessary to repay only the crop loans due and that it was no longer essential to repay old loans. Every effort is being made to disabuse their minds of this impression and to impress on the staff the necessity of treating the collection of old loans as of equal importance to that of crop loans. Further, it appears that a number of Central Banks have lost rather than gained by undertaking the issue of crop loans: their cost of collecting these loans has exceeded the profit derived from this business. It seems that if this business is to pay, Central Banks and the societies affiliated to them may have to raise the rates of interest charged on these loans. The matter is being considered by Government.

(iii) **Medium-term loans.**—Co-operative societies are as a rule confining themselves to issuing short-term loans not exceeding Rs. 25 per member, the actual amount is in most cases much less being determined by the requirements of each member and by his repaying capacity. Agricultural purposes for which medium-term loans are necessary are not covered by these loans. It is admitted that there is a considerable demand for medium-term loans for purposes such as purchase of cattle, ploughs and other agricultural implements. In view, however, of our past experience in respect of medium-term loans it is not intended to advise societies to issue such loans until the whole credit movement has been put on a sounder footing. In any case how far this business can be undertaken will depend on the extent to which private capital will be willing, despite past experience, to finance co-operative societies for this purpose and this in its turn will depend on the extent to which these societies can be reconstructed so as to command public confidence.

(iv) **Long-term loans.**—Long-term credit is being increasingly left to land mortgage banks to supply. Five Land Mortgage Banks have been working in this Province for the last 6 to 7 years. It is proposed to set up another 5 as soon as the question of financing them, for which proposals have been submitted to Government, is settled. The working of the existing banks, however, shows that there is perhaps not as great a demand or scope for long-term credit at the present time as is generally supposed. By June 1941, that is, during nearly 7 years of their working, these banks had received applications for loans amounting to only Rs. 30.56 lakhs. Of these, applications for loans amounting to Rs. 11.55 lakhs only could be accepted; others had to be rejected owing to insufficiency of title or of the security offered. Loans amounting to Rs. 8.53 lakhs had been actually advanced till then and it is of interest to note that about 91 per cent. of these loans were for the redemption of mortgages and prior debts. Only about Rs. 7,000 was borrowed for the improvement of land or the method of cultivation.

There are however several factors which have impeded the progress of these banks. The most important perhaps is that the banks were able to secure a comparatively small reduction in the claims of the creditors and that the loans issued by them carry interest at 8 per cent. This has led many prospective borrowers to seek instead the facilities offered by debt settlement boards, which secure larger reductions in the claims of the creditors and whose awards generally carry no interest. Steps have been taken to revive and improve the working of the Land Mortgage Bank Debt Settlement Boards and instructions have been issued that every application for loan should in the first instance go to this board for settlement before the bank can sanction the loan. This procedure will enable the bank to secure a greater reduction in the claims of the creditors in so far as the Debt Settlement Board has powers to deal with recalcitrant creditors, which a land mortgage bank has not, and should help thereby to popularise these banks.

Co-operative Marketing.—Particular attention is being devoted to the linking of agricultural credit with marketing. A considerable part of the crop loans issued in 1940-41 was realised in kind through the multi-purpose (marketing) societies specially those at Parbatipur, Hili and Pulhat in the district of Dinajpur. Very little, unfortunately, of the old loans was so realised. Increasing attention is being devoted to co-operative marketing and during the last 3 years some 33 multi-purpose societies have been brought into being, of which 22 were registered comparatively recently. In the year 1939-40 the Provincial Bank financed these societies

to the extent of Rs. 2.60 lakhs and in 1940-41 the loans issued by it to these societies amounted to Rs. 4.81 lakhs. The entire amount was recovered punctually. Detailed instructions have since been issued to rectify defects noticed in their working and a scheme has been submitted to Government for the expansion of co-operative marketing in the Province.

General Progress.—The total number of all classes of societies rose from 37,439 to 40,413, an increase of 7.9 per cent; and the total number of individual members of all classes of societies rose from 1,142,476 to 1,298,807, an increase of 13.6 per cent. The total working capital of all classes of societies rose from Rs. 2,127.92 lakhs to Rs. 2,140.15 lakhs, the percentage of increase being .5. Many of the old agricultural primary credit societies have been virtually in a process of winding up for the last few years. Loans due by members of these societies are being recovered and as a rule new loans are not being advanced to such members. Assets of the members in these societies in the shape of deposits, shares, etc., are also being increasingly set off against their dues. These factors explain the progressive fall in their working capital and why the working capital of these societies has not increased even when there has been a considerable increase in the number of societies and members.

Overdues.—In spite of considerable transactions in loan accounts there was no fall in the percentage of overdues to total outstanding loans due by members in agricultural societies. There was however a slight fall in the percentage of overdues of capital in non-agricultural societies.

In both agricultural and non-agricultural societies there has been during the last few years a continued decrease in the deposits held by members. The decrease in the deposits of members of agricultural societies is not, however, the result of any large scale withdrawals but is the result of paper adjustments against amounts due to these societies from the members. Non-members' deposits in agricultural societies have remained almost constant owing, largely to the inability of these societies to repay matured deposits. There has been, on the other hand, a steady and welcome increase in the deposits of non-members in non-agricultural societies.

What with the effects of the drought on the outturn of crops and the collapse in the price of jute, agriculturists, particularly in the predominantly jute districts, had a bad year. The price of paddy rose abnormally towards the end of the year but by that time the majority of the agriculturists had parted with their stocks and this rise in price so far from benefiting them considerably added to their difficulties. Distress prevailed in parts of Bankura, Malda, Faridpur, Burdwan, Murshidabad and Midnapore districts and scarcity had to be declared in Birbhum. The terrific cyclone rendered many people homeless and destitute in parts of Noakhali, Bakarganj and Tippera districts. In all these places except Midnapore relief measures were in operation. The adverse factors touched upon above naturally added to the difficulties of the agricultural credit movement and retarded its growth and recovery.

The Bengal Provincial Co-operative Bank, Ltd.—The number of members—all societies—rose from 179 to 184 during the year and its paid-up share capital from Rs. 18.68 lakhs to Rs. 19.40 lakhs.

The working capital of the bank was Rs. 2.89 crores against Rs. 2.88 crores in the preceding year. There was a fall of Rs. 6½ lakhs in fixed deposits but deposits

as a whole decreased only by Rs. 3 lakhs owing to increase under savings and current deposits.

Fresh advances by way of ordinary loans contracted to Rs. 1.44 lakhs against Rs. 3.26 lakhs of the previous year. Repayments from Central Banks were not satisfactory due to unfavourable agricultural conditions. 66.9 per cent. of the old loans became overdue against 60.1 per cent. at the end of the previous year. The increase in overdues is causing anxiety. The question is bound up largely with the question of recovering old loans from the individual members of the Central Banks indebted to it and has to be tackled at the root. The bank continued to enjoy from its bankers overdraft accommodation of Rs. 33.86 lakhs on the security of Government promissory notes, etc. The amount drawn at the end of the year was Rs. 27.28 lakhs. The bank earned a net profit of Rs. 2.13 lakhs as against Rs. .76 lakhs, of the previous year. The increase is largely due to the decrease in interest payable to depositors owing to withdrawals and decrease in rates of interest.

Central Co-operative Banks.—The number of Central Banks remained 121 as in the preceding year. The following table gives figures relating to the working of these banks:—

	1939-40.	1940-41.
1. Number of members—		
(a) Individuals ..	5,383	5,443
(b) Banks and Societies ..	30,321	34,162
	(Figures in lakhs.)	
	Rs.	Rs.
2. Paid-up share capital ..	54.70	55.94
3. Reserve and other owned funds ..	81.65	89.06
4. Working capital ..	553.57	546.52
5. Loans and deposits received during the year from—		
(a) Societies ..	7.65	10.23
(b) Provincial or Central Banks ..	40.57	37.07
(c) Individual and other sources ..	98.72	78.92
6. Loans and deposits repaid to—		
(a) Societies ..	7.55	10.04
(b) Provincial or Central Banks ..	24.51	43.28
(c) Individual and other sources ..	109.68	88.61
7. Loans and deposits held at the end of the year from—		
(a) Societies ..	18.57	19.08
(b) Provincial or Central Banks ..	155.01	149.63
(c) Individual and other sources ..	243.64	232.81
8. Interest paid on loans and deposits ..	13.53	8.82
9. Cost of management paid ..	7.22	7.92
10. Interest received on investments ..	19.88	14.40
11. Loans—		
(a) made during the year to societies ..	55.94	50.57
(b) repaid by societies during the year ..	47.11	60.76
(c) outstanding at the end of the year ..	344.58	332.65
12. Profits ..	10.84	9.50

The number of members, paid up share capital, reserve and other funds, showed a satisfactory increase during the year. The increase in the number of members and share capital is due largely to the setting up of new crop loan societies. The fall in deposits from Rs. 243·63 lakhs to Rs. 232·81 lakhs is due principally to the fact that a large number of Central Banks have, owing to their inability to refund matured deposits, forfeited the confidence of the depositors. There is on the other hand an increase in deposits from societies. The working capital shows a decrease and out of Rs. 546·52 lakhs, Rs. 332·65 lakhs or 60 per cent consists of loans to societies.

Loans to the extent of Rs. 50·57 lakhs were disbursed to the societies against Rs. 55·94 lakhs of the previous year. The decrease is accounted for by lesser amounts advanced by the Central Banks out of their own funds as also by a slight decrease in the amount of crop loan issued through the Provincial Bank. The crop loan business accounts to a large extent for the comparative increase in loan transaction during the two years. Recoveries showed an excess of Rs. 10 lakhs over the amount advanced which considering the nature of the year was not unsatisfactory. The position as regards old loans however showed little improvement and will not show any real improvement until the debts of the members of the societies are effectively tackled.

Agricultural Credit Societies.—The following table indicates briefly the working of agricultural societies:—

		1939-40.	1940-41.
1. Number of societies	..	32,706	35,300
		(In lakhs.)	(In lakhs.)
2. Number of members	..	6·79	7·75
		Rs.	Rs.
3. Paid up share capital	..	52·52	53·85
4. Deposit from members	..	17·58	17·11
5. Loans from Central Banks	..	309·41	299·72
6. Deposit from non-members	..	12·18	12·04
7. Loans due by members	..	370·65	362·78
8. Reserve Fund	..	201·60	204·41
9. Other funds	..	·70	1·19
10. Working capital	..	594·84	589·16
11. Cost of management	..	3·63	2·83

	Profit.	Loss.	Net profit or loss.
1939-40	5·09	4·94	·15
1940-41	3·70	4·79	—1·09

The sharp increase in the number of societies and members is due largely to the organisation of crop loan societies.

It will be noticed that notwithstanding the increase in the number of societies there is a decrease in the working capital. This is accounted for principally by the decrease in the loans due to Central Banks. The reduction is also the result of

CO-OP. SOCIETIES AT WORK IN INDIA (BENGAL 30-6-'41)

the scaling down of the debts of members by Debt Settlement Boards and the fact that the dues of the members are being increasingly adjusted against their deposits or share capital.

The Reserve or other Funds record a satisfactory increase. There is a drop of Rs. 9.62 lakhs in the loans due to Central Banks while at the same time liabilities of the societies have decreased in other directions which is a satisfactory sign. Owned capital including members deposits formed as much as 46.9 per cent. of the total working capital of the societies as against 45.8 per cent. of the previous year.

Loans due by the members decreased at the end of the year by Rs. 7.5 lakhs. Recoveries as a whole show a substantial increase of 9.84 lakhs over the previous year but this is due largely to increased recoveries on account of the increased crop loans issued during the year.

The position as regards old loans has on the other hand worsened considerably and almost the entire amount outstanding is now overdue. The outturn of crops was unfavourable, and there was a catastrophic fall in the price of jute while on the other hand the cost of living went up. The result was the societies failed to collect even the crop loans in full while as regards old loans recoveries were equally unsatisfactory.

There are of course other reasons which affected recoveries of old loans. Of these increasing propaganda by political tub-thumpers seeking to achieve popularity by advising members to withhold payment is perhaps the most important and the most difficult to check. An impression which concessions given in the past have helped to strengthen is unfortunately gaining ground that one has only to withhold payment to extract further concessions. A great deal is often heard of the inability of the members to repay their debts but an examination of individual cases shows that it is generally the well-to-do and influential members of a society who are withholding payment on the plea of inability to pay and in order to strengthen the case for remission, are advising other members to do likewise. The only effective way in which this can be countered is on the one hand to pay greater attention to the propagation of co-operative principles among the members and on the other to scale down the debt of each member to his repaying capacity. Every member who is unable to repay his loan in full must be induced to go to the Debt Settlement Board and all such cases must be settled as expeditiously as possible. Thereafter the awards should be enforced rigorously. Members should be warned that if they fail to have their debts settled by these boards they will be held liable for the entire amount due from them and steps will be taken under the new Co-operative Societies Act to compel them to pay it.

Land Mortgage Banks.—The number of Land Mortgage Banks remained 5 as in the previous year. Government have sanctioned the establishment of 5 more Banks to be located at Khuina, Burdwan, Rajshahi, Dacca and Feni. All preliminary arrangements have been made and they will start working as soon as the decision of Government which is expected shortly on the question of financing them is received.

The total of loans issued by these banks since they started working is now Rs. 8.53 lakhs for which properties worth Rs. 24.85 lakhs are mortgaged to them. The original debts of the members to whom the loans have been sanctioned amounted to Rs. 11.77 lakhs. These were settled at Rs. 7.88 lakhs. The reduction in the debt might have been greater but for the fact that the banks failed to avail themselves of the facilities offered in this respect by the Debt Settlement Boards attached

to them. These boards have been revived and reconstituted and instructions have been issued that in future every application for loan for the redemption of debts shall first be submitted to the Land Mortgage Bank Debt Settlement Board and considered by the bank only when a satisfactory reduction in the debt has been effected by the board.

There are several reasons for slow progress. The first is, as stated earlier in the report, the fact that the reduction in the debts effected by the land mortgage banks was comparatively small and that the loans issued by the banks carries interest. This has led many prospective borrowers to seek instead the protection of Debt Settlement Boards which effect a bigger reduction in the claims of the creditors and which generally do not award any interest on the debts so reduced. Another factor which has dissuaded agriculturists from seeking loans from land mortgage banks is the fear that they will not be able to obtain any more credit on the property mortgaged to the bank till the bank's loan is fully discharged. The borrowers of the bank are now however permitted to obtain crop loans from societies and section 96 of the new Co-operative Societies Act will permit them under certain conditions to raise a fresh loan on the security of property mortgaged to the Land Mortgage Bank. It is hoped that this will go some way to dispel the fear referred to above. The unwillingness of co-sharers to join in executing the mortgage of the properties offered by the applicant has also hampered the progress of these banks but this difficulty has partly been removed by the amended Bengal Tenancy Act.

Though the business of these banks has shown a welcome increase during the year, overdues have assumed disquieting proportions. For the first time since their inception three banks, failed to repay kists due to the Provincial Bank punctually and defaulted to the extent of Rs. 17 lakhs as principal and Rs. 09 lakhs as interest. This has been attributed to the heavy slump in the price of jute and the failure of the paddy crop in the areas served by these banks, but, I fear, is also due to the unwillingness of the banks to take deterrent action against defaulters. The necessity of dealing with defaulters promptly has been pointed out to these banks and the position as regards overdues has since the close of the year considerably improved.

Non-agricultural Credit Societies.—These societies comprise chiefly salary earners' societies and Urban Banks and their number increased by 6 to 614 with 2·80 lakhs of members and paid-up share capital of Rs. 127·14 lakhs. The reserve and other funds amounted to Rs. 76·03 lakhs.

The following statement will show some particulars of their working:—

	1939-40. (In lakhs.)	1940-41. (In lakhs.)
	Rs.	Rs.
1. Working capital	616·30	637·96
2. Deposits from members	156·22	150·74
3. Deposits from non-members	250·91	275·14
4. Deposits from societies	4·14	4·62
5. Loans granted to members	361·78	348·25
6. Loans repaid by members	319·22	315·93
7. Loans due by members at the end of the year	528·16	560·06
8. Of which overdue	59·16	60·05
9. Percentage of overdue	11·2%	10·7%
10. Profit	12·79	14·36

Salary Earners' Societies.—The majority of the societies are salary earners' societies. They are definitely good societies recovering their loans punctually. This is due mainly to the keenness and enthusiasm displayed by the management and the general body of share-holders and the facilities they enjoy of recovering loan instalments due at source through pay sheets. Section 51 of the new Co-operative Societies Act should further strengthen their position in this respect. There is however a tendency in some of the societies to permit members to borrow up to the maximum limits allowed under the bye-laws and to borrow continuously by setting off previous dues by means of "paper transactions." This tendency should be checked for it is likely, if continued, sooner or later to land them in difficulties.

Urban Banks.—The Urban Banks are not working so well as the salary earners' societies.

Most of the big urban banks and salary earners' societies are competent to do business in inland exchange, collection of pay or pensions and interest on securities, shares, bonds and other scrips. Overdrafts against deposits may be granted to members and savings encouraged. The business of giving loans to merchants and traders on the security of agricultural produce may also be undertaken provided precautions are taken to guard against risks that this form of finance lends itself to, namely, theft, fire, adulteration, etc.

Important among non-agricultural credit societies are those organised amongst the scavengers of municipalities. They generally worked well during the year, being supervised by the staff of the municipalities concerned, though overdues were frequently noticed.

The Central Co-operative Paddy Sale Society.—This society generally deals in paddy and rice belonging to societies affiliated to it, other members of co-operative societies and non-members. The number of member societies was 12, the paid-up share capital Rs. 5,450 and reserve fund Rs. 10,353.

The following table will throw some light on its working for two years:—

		1939-40.	1940-41.
		(In lakhs.)	(In lakhs.)
		Rs.	Rs.
1. Deposits from societies	..	·31	·56
2. Loan from the Provincial Bank	..	·19	·20
3. Working capital	..	·65	·92
4. Purchase of members' products	..	2·71	3·77
5. Purchase of non-members' products	..	·93	1·24
6. Sale of goods to members	..	2·77	3·79
7. Sale of goods to non-members	..	·90	1·29

The society handled 1·30 lakh maunds of paddy and rice against 1·28 lakh maunds in the previous year. Its profit amounted to only Rs. 377 during the year. It sells members' produce at a small commission which leaves it only a small margin of profit for it has to advance against stocks large sums to the suppliers by borrowing from the Provincial Bank at a high rate of interest. The question of reorganising and expanding its activities is under consideration.

Agricultural Purchase and Sale Societies.—There are 78 societies against 73 in 1939-40 and the membership has risen to 42,528.

The following table shows the working of these societies:—

		1939-40.	1940-41.
		(Figures in lakhs.)	
		Rs.	Rs.
1. Paid-up share capital	..	2.46	2.82
2. Reserve and other funds	..	1.10	1.31
3. Loans and deposits from societies	..	1.21	1.29
4. Loans from Provincial or Central Banks	..	3.31	3.53
5. Working capital	..	8.54	9.87
6. Purchase of members' products	..	4.03	5.97
7. Sale of goods to members	..	3.69	6.44
8. Profit	..	.26	.43

There was a satisfactory increase in the paid up share capital, reserve and other funds, working capital, amount of business handled and the profits made. Some of the sale societies have passed the experimental stage but lack of necessary capital has hampered their development.

Multi-purpose Societies.—These societies differ only slightly in character from the foregoing societies. During the year their number rose to 33 from 16 and their membership was 44,228.

The following statement indicates the progress of these societies:—

		1939-40.	1940-41.
		(Rupees in lakhs.)	
1. Paid-up share capital	..	.12	.39
2. Loans from Provincial or Central Banks	..	.70	.82
3. Working capital	..	.84	1.26
4. Purchase of members' products	..	.04	.67
5. Sale of goods to members	..	.03	.33
6. Profit	..	.05	.13

These societies have made a promising start

Non-agricultural Purchase and Supply Societies.—There were 47 societies working during the year against 44 of the previous year. They had 5,700 members, paid-up share capital of Rs. 1.09 lakhs and reserve and other funds amounting to Rs. .51 lakhs. Their sales increased to Rs. 5.11 lakhs from Rs. 3.90 lakhs in the previous year, but the profit came down to Rs. .10 lakhs from Rs. .18 lakhs. The increase in sale is mainly accounted for by the transactions of one society at Calcutta, two at 24-Parganas and one at Rajshahi. The Bengal Chemical Co-operative Stores at Calcutta, the Sardah Police Training Co-operative Stores and the Raigaon Co-operative Medical Stores in Rajshahi, the Dhakeswari Co-operative Stores near Dacca and the Samabaya Bhandar at Santiniketan worked satisfactorily. The Ichapura School Co-operative Stores has opened a cloth department and acquired land for erecting a building of its own.

It is to be regretted that the stores movement has not shown much sign of progress inspite of the opportunities offered by conditions created by the way. Twenty years ago (30th June 1921) there were 90 such societies in the Province with sales to members in 1920-21 of over 12½ lakhs of rupees.

Milk Unions.—The general position with regard to Milk Unions is indicated in the table given below:—

	1939-40.	1940-41.
Number of unions	5	4
Number of members—		
(a) individuals	231	199
(b) societies	162	137
	(In lakhs.)	
	Rs.	Rs.
Paid-up share capital	.. 26	25
Reserve Fund	1.42	1.33
Deposits from individuals	.. 14	15
Deposits from societies	.. 33	34
Loans from Provincial or Central Banks	.. 40	38
Working capital	.. 2.56	2.46
Purchase of milk from members	.. 2.27	2.00
Sale of milk	.. 3.17	3.71

The Calcutta Milk Union alone continued to do business on a big scale. It sold 43,947 maunds of milk for Rs. 3,55,508 against 40,244 maunds for Rs. 3,10,388 in the previous year. The total milk handled was 45,254 maunds against 41,459 maunds in the previous year. The daily average of milk handled was 124 maunds and the average wastage was 2 maunds 35 seers per hundred maunds, i.e., about 3½ maunds per day. The cost of management was reduced to Rs. 52,572 from Rs. 77,684 in the previous year.

The main problem of the union which has so far baffled solution is the high percentage of milk "wastage" associated with which is the question of dealing with the excess supply of milk during a part of the year and shortage during another. A new board has recently been elected and is now studying this question. It is hoped that a satisfactory solution will be found.

The management of the union under the old Board left much to be desired. A false sense of prestige made it reject departmental advice or help.

Milk Societies.—There were 223 societies with 10,626 members and paid-up share capital of Rs. 25,903. The working capital amounted to Rs. 1.53 lakhs of which Rs. 26 lakhs was borrowed from Central Banks or Unions. The working of these societies showed little change during the year. Three were put into liquidation. Of these societies, the group affiliated to the Calcutta Milk Union numbering 125 is the most important and account for the bulk of the figures given above. Some of these societies are also functioning indifferently.

Sugarcane-Growers' Co-operative Societies Union.—The following table gives the main figures relating to the two sugarcane-growers' unions of the Province:—

		1939-40.	1940-41.
Number of members (societies)	..	434	519.
		Figures in lakhs.	
		Rs.	Rs.
Paid-up share capital	..	·10	·17
Loans from Provincial or Central Banks	..	·95	·70
Purchase of cane from members	..	·63	·67
Sale of cane to non-members	..	·63	·67
Profits	..	·03	·02

The number of individual members of the societies affiliated to these unions increased from 3,507 to 3,765 during the year.

The profits of these Unions are, however, illusory inasmuch as they are the result of subsidies received from the Government of India Sugar Excise Fund. But for this both unions have worked at a loss and, it is feared, they will continue to work at a loss until the mills adopt a more sympathetic attitude towards them than has so far been the case.

Agricultural Associations.—

There were 37 such associations with 9,882 members with a working capital of Rs. 1·32 lakhs of which Rs. ·27 lakhs represented outside borrowings. With few exceptions these societies are functioning indifferently and are working more or less as credit societies. The question of reorganising some of these societies into Multi-purpose Societies is being considered.

The most important society in this group is the *Badarkhali Colonization Society* in the Chittagong district. During the year it continued to make excellent progress. The number of debt free members increased to 152 as against 262 members originally in debt. Collections during the year were Rs. ·28 lakhs against Rs. ·34 lakhs of the previous year. As the number of debt free members increases collections will naturally be less.

The society borrowed Rs. 3,000 from the Provincial Bank to advance cultivation loans to its members and repaid Rs. 9,600 to that bank leaving a balance of Rs. 4,554 against Rs. 10,609 due at the beginning of the year. The society stocked 4,200 maunds of paddy in its granary for issuing paddy loans to members. Several roads including the Badarkhali Chakaria District Board Momin Road have been constructed entirely by voluntary labour given by the members. In the colony primary education is free for both boys and girls and it maintains a free U. P. School. There are also night schools to impart the rudiments of learning to adults. A few years ago almost all the colonists were illiterate but now almost all of them can read and write. The society's weaving school continued to impart useful training to the students coming from the different blocks. Its charitable dispensary received grants from Government and other sources for the purchase of surgical instruments, medicines and furniture.

An interesting experiment in joint farming initiated by the Collector of Nadia, led to the establishment of the Jahangirnagar and Raipur Co-operative Joint Farming Societies. The members have pooled their holdings; the land contributed by

each member is taken as his share capital; the holdings are consolidated and cultivated jointly by the members who receive wages. The societies are still in the experimental stage. Their progress is being watched with interest.

Industrial Unions.—There were 10 Unions with 1,901 members of whom 202 were societies. Their paid-up share capital amounted to Rs. 2.12 lakhs and reserve fund to Rs. .22 lakhs. The working capital was Rs. 5.89 lakhs of which Rs. .91 lakhs was borrowed from Government and Rs. 1.99 lakhs from Provincial or Central Banks. They purchased goods worth Rs. .35 lakhs from members and worth Rs. 1.72 lakhs from non-members and sold goods worth Rs. 2.49 lakhs.

The Bengal Provincial Industrial Society raised considerable share capital by enlisting new members. It sold finished goods valued at Rs. 84,090 against Rs. 63,802 during the previous year. It obtained from Government a grant of Rs. 20,000 for meeting the cost of establishment, propaganda and purchase of samples, etc., and extended instalments for repaying the existing Government loan of Rs. 28,700. Both through its sales and propaganda it continued to popularise handloom products and supplied new designs to its members. On the year's working it earned a profit of Rs. 7,066 against Rs. 3,809 of the previous year.

The paid-up share capital of the Bagerhat Weaving Union rose to Rs. 1.58 lakhs from Rs. .93 lakhs during the previous year and the working capital to Rs. 3.05 lakhs from Rs. 2.21 lakhs. The union has an up-to-date plant and a sizing and calendering machine purchased out of the Government of India grant. The total number of power looms at work was 50. The Union has acquired a good reputation among consumers and goods produced by it found a ready market throughout the province. During the year goods worth Rs. 83,619 were sold against goods worth Rs. 71,084 sold during the previous year and the Union earned a profit of Rs. 3,429 as against Rs. 2,443 of the previous year.

The handloom staff maintained out of the Government of India grant held about 1,000 demonstrations to train members of weaving societies in improved methods of weaving and dyeing. It helped not only in standardising their products and introducing new designs but also in marketing their goods. The resources of the weaving unions are however limited and the abnormal rise in the price of yarn and dye stuffs made it impossible for them to purchase these commodities for their own use or for the use of their members on anything like the scale originally intended.

Weavers' Societies.—There were 354 societies with 5,443 members, paid-up share capital amounting to Rs. .39 lakhs and working capital to Rs. 3.98 lakhs of which Rs. 2.20 lakhs was borrowed capital. Almost all these societies have been functioning as purely credit societies and most of their borrowed capital is now locked up in loans to weavers. These loans amounted to Rs. 2.19 lakhs, almost all overdue. Coupled with the shortage of liquid resources thus occasioned, was the rapid increase in the prices of yarn and dyes owing to the War. This explains why these societies sold members' goods worth only Rs. 457. Nevertheless, the volume of sales by the members themselves on their own account was substantial. The staff maintained out of the Government of India grant for the improvement of the handloom industry helped weavers in this respect considerably by standardising and improving the quality of their goods and training them in improved methods of dyeing and weaving.

The Dhanikhola Milan Samaj Co-operative Silpa Sangha Samity in the district of Mymensingh received the second instalment of the Government grant during the

year. Seven automatic looms and 3 fly-shuttle looms were operated by this society. Besides cotton, it produced a quantity of silk and woollen fabrics. About 23 trained members of the society had been able to start small factories of their own.

Women's Industrial Societies.—The Dum Dum Women's Co-operative Industrial Home entered its third year of existence. Destitute *Bhadrolog* women were trained in the industrial school maintained by the Home and a marked improvement was noticed in the quality of their products. The Home produces mainly furnishing materials, waterproof lining cloth and other fancy articles. Its sales showed a considerable increase over those of the previous year, the improvement being due to the employment of agents, arrangements for keeping articles on consignment at important shops and increased purchases by the Provincial Industrial Society, Ltd. During the year 10 trained workers left the Home of whom some found employment as teachers in technical schools.

The Islamia Ideal Home Industrial Society, Ltd., was organised at Chittagong on the model of the Dum Dum Women's Industrial Home and registered at the close of the previous year. The membership of this society is open to Muslim women, whose principal vocation is weaving or who intend to take up weaving as a profession. The Home received a grant of Rs. 2,690 from Government of which Rs. 1,000 was earmarked as working capital and the balance was set apart for meeting the salary of one Instructor. It has been fortunate in securing a spacious building free of cost where its factory is located. There are 26 members now working 15 looms, which have been provided out of the Government of India grant. A peripatetic demonstration party was deputed by the Department of Industries to train the members in the art of weaving. There was no difficulty in disposing of its products.

Cottage Industries.—There were 11 societies at the end of the year dealing with miscellaneous cottage industries. These societies are generally functioning indifferently. The Co-operative Bishan Silpa Samity in Dacca is however doing well. It was registered in 1939 and of late has taken up marketing of buttons manufactured from horns by the members. The demand for these has increased on account of the war and the society had already supplied more than 40,000 gross buttons valued at nearly Rs. 25,000. It has recently been enlisted as an approved firm for the supply of buttons by the Director-General of Supply, Delhi.

No improvement was noticed in the working of the conch-shell makers' or cocoon rearers societies during the year. Eight of the former were put into liquidation in Dacca district.

Fishermen's Societies.—There were 124 fishermen's societies with 6,990 members, with a working capital of Rs. 2.91 lakhs, paid-up share capital of Rs. .55 lakhs and reserve and other funds amounting to Rs. 1.58 lakhs. The majority of these societies started as credit societies of which fishermen alone were members and came to grief. During the year loans due by members amounted to Rs. 1.38 lakhs of which Rs. 1.12 lakhs were overdue, a large part of which has become irrecoverable. Some notable results were, however, achieved by societies which undertook the actual business of fishing.

Anti-malarial Societies.—The activities of these societies include anti-malarial propaganda among rural people, supply of medicines, sinking of tube-wells, construc-

tion of roads and culverts and other public health activities. There were 1,098 such societies with 21 lakhs members. Their working capital amounted to Rs. 90 lakhs consisting almost entirely of members' deposits (Rs. 7 lakhs) and their own funds.

Eleven of these societies were affiliated to the Central Co-operative Anti-malarial Society which continued to conduct anti-malarial propaganda through its monthly journal "Sonar Bangla" and public speeches in the countryside.

Better Living Societies.—The activities of these societies include attention to public health, water-supply, devising ways and means for providing employment for the unemployed, the development of cottage industries and the settlement of village disputes. There were 552 such societies with 15 lakhs members and working capital of Rs. 32 lakhs.

In spite of the difficulties of finance some societies did very useful work. The Goyghar Society ran a charitable medical dispensary and the Bangsari Society ran a free library and a primary school. The Khaguria Palli Sanskar Samiti in Noakhali and the Baliati Palli Sanskar Samity in Dacca districts maintained weaving schools and devoted considerable attention to public health activities within their areas of operation. The Dhupati Palli Sanskar Samity in Bakarganj district ran a lower primary school and constructed roads $1\frac{1}{2}$ miles long.

Irrigation Societies.—There were 1,070 irrigation societies against 1,011 in 1930-40. The number of members increased from 21,624 to 23,072 and the paid-up share capital from Rs. 3.29 lakhs to Rs. 3.32 lakhs during the year. Loans from Government and members' deposits showed a slight fall being respectively Rs. 30 lakhs and Rs. 6 lakhs. Many of the societies have not yet become self-supporting, due primarily to the difficulty of collecting the dues from members and others benefited from the work and to the high cost of some of these works financed as they are largely with borrowed capital. The difficulty of collection will, it is hoped, be largely met when the new Co-operative Societies Act comes into force.

Co-operative Debt Settlement Boards.—The number of Co-operative Debt Settlement Boards was 106 during the year.

Progress so far has been slow. Only a small fraction of the members of rural credit societies have yet applied, far too many cases have been dismissed, far too few settled. Departmental officers in charge of these Boards have, I fear, not devoted to this work the attention that it deserved, though the many difficulties inherent in this work have contributed to the slow progress in no small measure. The extreme importance of this work on which largely depends the rehabilitation of the Central Banks is now being brought home to all officers with, I am glad to say, distinctly better results. A pamphlet containing comprehensive instructions on the working of these Boards has been issued to all officers, to assist those who are now in charge of these Boards and prepare others for some 300 more Boards that we expect to set up in the near future. Government have already sanctioned one hundred new Boards to be set up within this financial year.

The Bengal Co-operative Alliance.—The society's object is to broadcast co-operative ideas throughout the province and thereby further the advancement of the

co-operative movement. But despite generous assistance from Government its activities have remained limited in character and its financial position insecure. Its chief difficulty is to collect subscription from rural societies over whom it has failed so far to acquire even a moral hold, so meagre is their appreciation of the benefits it offers them. It publishes two admirable journals the "Bhandar" and "The Co-operative Journal" neither of which command the circulation they deserve and both constitute a heavy drain on its slender resources. Its printing press has, however, helped its finances considerably and it is hoped that co-operative institutions will patronise it in increasing numbers.

The question of reorganising the finances and the activities of the Alliance has recently been taken up with its directors.

Liquidation.—It must be confessed that the progress of the recovery assets of the societies in liquidation was and always has been disappointing. Not only recoveries are poor and slow but a disproportionately large percentage of them—as much as 20 per cent. in 1940-41—is consumed by establishment and other costs.

The recent amendment of the Bengal Agricultural Debtors' Act bringing debts of liquidated societies within its purview has made the process of realising the dues more easy but dilatory for in many cases members obtain long instalments.

As in previous years societies and liquidators had to purchase properties of defaulters in certain cases during the course of execution proceedings. The properties are in most cases unremunerative and a source of embarrassment. The ownership of lands involves certain duties and responsibilities which the societies or the liquidators are not fitted to discharge.

The entire system of liquidation will have to be overhauled and proposals to this effect have recently been submitted to Government.

MADRAS

Extracts from the Report of the Registrar of Co-operative Societies, S. A. Venkataraman Esq., I.C.S., for the period ended 30th June, 1941.

Review of policy.—The year 1940-41 may be characterized as a year of general expansion in many directions, or consolidation of the progress already made in certain special lines, and of a greater manifestation of the realistic sense of co-operators. Government have now passed orders on almost all the recommendations of the Committee on Co-operation. The more revolutionary among the proposals have not been accepted. The fundamental departure from accepted tradition and practice, in altering the basis of the liability in village credit societies, which the Committee recommended, has been rejected; unlimited liability will, as heretofore, continue to govern our primary village societies. The proposal that a voluntary pool of the reserve funds of primary societies in the area of each central bank, to be administered by a committee with the Registrar as trustee, should be created for the benefit of societies which come to grief owing to bad management or other causes, has also been rejected on the ground that the acceptance of it would seriously impair the soundness of village primary societies and put a premium on mismanagement. The suggestions that small village societies should be reorganized on a wider basis by

grouping a number of them together into one society, that the functions of agricultural credit societies should be enlarged so as to include all the economic requirements of members by the formation of so-called "multiple purpose" societies; and that village co-operative societies should, as a general rule, be permitted to lend to members on the pledge of gold and jewels, have also not been accepted. As regards central banks, the Committee's recommendations that the banks should be empowered to take coercive steps against defaulters of primary societies in case the latter failed to take suitable action; that they could undertake commercial transactions and banking business of all kinds; that the secretaries of central banks should be appointed liquidators of indebted societies; that it should be open to central banks to relax the individual maximum credit limit of members of affiliated societies; that the central banks should be formed into "pure type banking unions" composed of affiliated societies, individual shareholders being completely eliminated; that they should, on the other hand, be permitted to co-opt individuals to the board of management,—all these recommendations have been rejected wholly or in part. So also has the other recommendation, which sought to make the question of the future of local supervising unions a matter entirely for the discretion of the central banks. The proposal to form two apex banks, one for the Andhra districts and the other for the Tamil districts, has also been rejected. The recommendation that there should be separate co-operative societies for the scheduled classes has not also found favour with Government who have held that separate societies for scheduled classes should ordinarily be eschewed unless they are necessary for carrying on any particular activity, such as house-building, colonization, etc., or when local circumstances warranted their formation. The proposal that the Provincial Co-operative Union should cease to exist in its present form, and that four linguistic unions should be created instead, the Provincial Union being a mere federation of these four unions, has not been accepted. As regards administration, the Committee's proposal that the audit staff of the department should be separately constituted into a distinct branch has not been accepted; nor have the suggestions that the special staff of Deputy Registrars for land mortgage banks should be discontinued, and that Co-operative Sub-Registrars for land mortgage banks should be empowered to recommend loan applications up to Rs. 5,000. The proposal to curtail the Registrar's powers of supersession by making the concurrence of the financing banks obligatory has not been approved. This summary of the more important recommendations will indicate that, so far as the general structure of the movement and the methods of administration are concerned, no radical departure from the existing practice is contemplated for the present.

Finance.—Co-operative financing institutions continued to have a satisfactory year, the general position of village societies, central banks, urban banks and land mortgage institutions being sound. The level of deposits remained high, as in previous years; and the occasional scare consequent on the war failed to have any appreciable effect on the co-operative credit structure. The steady decrease in "overdues" has on the whole been maintained. There has been a consensus of opinion both in the department and outside that, for the ordinary credit structure, a margin of about two per cent was absolutely necessary if the financing institutions are to continue on satisfactory lines. A very large number of societies of all descriptions have already adopted this margin, with the result that on 30th June 1941 no fewer than 18 central banks, 4,014 agricultural credit societies and 336 non-agricultural credit societies had a margin of two per cent between their borrowing

and lending rates. Another direction in which the financial strength of central banks has been increased is by the recent rule under which they have to allocate one-third, instead of one-fourth, of their net profits to the reserve fund until the reserve fund and other reserves equal their share capital.

Administration.—A real beginning has been made in the direction of effective supervision of societies by extending the system of 'territorial' inspectors to nine districts. The new system has for its aim the concentration of all functions in one inspector, who will deal with the society as a complete entity and will act as the "friend, philosopher and guide" of whom we hear so much in co-operative talk. Audit alone will be done by a separate agency. The system has obvious advantages in that the average villager looks to only one official for help and guidance in all matters affecting the society instead of being bewildered by a variety of inquisitorial visits from different individuals. The results in the nine districts where the scheme is in force are quite promising. There are now no fewer than 24 Deputy Registrars in the department who have had a fairly intensive training in the methods of joint stock banking in Madras and Bombay. This should prove a great asset to the department in the coming years. It is not possible, as things are, to expect a Deputy Registrar to run more than one district; the very magnitude of the work militates against efficiency. I have recently submitted proposals to Government for the abolition of the system of Assistant Registrars in certain districts and for sanctioning one Deputy Registrar for each district in the province.

Liquidation.—A vigorous drive was kept up in connection with the liquidation of societies which were hopelessly insolvent and could not be revived. A considerable acceleration in the rate of progress was effected, the affairs of as many as 439 societies being finally closed during last year, as against an average of 209 in the three previous years. The existence of a large number of societies under liquidation, where the proceedings drag on year after year, in certain cases for over ten years, has been a constant source of weakness to the movement. They diverted attention for an indefinite time from more important positive work in the districts, and it has been my policy to drive my liquidation staff to the limit of their endurance in order to see that these proceedings are terminated within a reasonable time. Judging from the progress made in one year of intensive activity in this respect, I am not without hopes that the problem of liquidation will be cut down to reasonable dimensions in the course of the next few years.

Supervision and management.—It seems to be generally agreed, that there is no need whatever to make a radical change in our central banking structure. Our banks are, in general, reasonably sound institutions. Many of them are as good as the major scheduled joint stock banks; and they have weathered the lean years of depression in a remarkable manner. They are congenial to the genius of this province, and I should look upon any attempt to break them up into small banking unions, with a good deal of apprehension. It cannot be denied, that, except in certain districts, the supervision exercised by our central banks over the village societies has not, in general, been very effective; in most cases, there is hardly any supervision worth the name; in a few instances, what little there is tends to take the form of an attempt at autocratic control and the running of village societies to suit the desires of the party in power in the central bank. The urgent need of the hour seems to me to assist the development and consolidation of healthy local co-

operative opinion which would guide the societies in its area and act as a counterpoise to the centralized co-operative opinion of the financing bank. The representatives of a union on the committee of a central bank should be elected by the general body of the union from among the members of its governing body. A vigorous drive should be launched to revive and strengthen unions, the services of territorial inspectors being utilized for this purpose. The number of members on the governing bodies of unions should be small. No delegate from a society which is in default to the financing bank should be entitled to sit on the governing body of the union. The average number of societies in the area of a union should be between 30 and 40. A supervisor and a territorial inspector should be sufficient for each union area and they can do intensive work, in collaboration, for the revival of the societies in that area. The supervisors should be appointed by the central banks, but should work under the control of the unions. The powers of suspension and removal of supervisors should vest in central banks, but the unions should have power to inflict all other punishments. The supervisors should ordinarily not be transferred by central banks without the consent of the unions. No supervisor should be in charge of the same area for more than three years. The annual budgets of unions should be sanctioned by central banks; within the budget allotment, however, the unions should have power to incur every expenditure.

Special Features of Expansion.—Loan and sale societies have done remarkable business in the advance of loans on the pledge of produce. This, in fact, has been a special feature of this year, and no less than about a crore and a half of rupees has thus been lent by sale societies to their members; and it is becoming increasingly clear that there is a great future for this line of business, which is apparently proving very popular with the ryots. The construction of warehouses and godowns on modern lines—damp-proof, fire-proof and rat-proof—has also gone on apace during the year. Almost all of them conform to exacting modern standards. Government have recently liberalized their rules to enable more village primary societies to take up the construction of village godowns; instead of contributing one-fourth of the cost of godowns as a free grant, the limit has now been raised to half the cost. I am glad to say that many village societies have begun to take advantage of this offer.

Education.—The usual classes under the auspices of the Provincial Co-operative Union were continued, but a special drive was also launched and kept up at high pressure throughout the year for the education of these members. One Educational Inspector of the Department in each district visited a number of societies in turn, assembled panchayatdars and as many members as possible and taught them how to keep accounts, besides discoursing on the general principles of co-operative methods and practice. There is general agreement that these classes have been more successful than one dared to hope in the beginning. Over 50,000 persons received the training and there has been some real awakening of interest on the part of villagers in the actual running of their societies. It seems to me that, when the Government of India's co-operative education grant is withdrawn, the system of Educational Inspectors should be permanently retained. Government have accepted my proposals for the establishment of three permanent institutes, at Rajahmundry, Tanjore and Coimbatore, and a fourth one to run at Anantapur every alternate year. The institutes are autonomous bodies with an independent organization; and they are expected to serve not merely as a training ground for co-operative employees

but also to function as live centres of co-operative thought and activity in their respective areas. The creation of a College of Co-operation at Madras is also under the active consideration of Government.

Prospects.—Some progress has been made this year in the linking of consumers' stores with producers' societies. Nearly a hundred stores purchased goods worth about a lakh and a half of rupees direct from sale societies, weavers' societies, milk supply societies and other producers' societies; and the products of weavers' societies are to an increasing extent being marketed through stores. An effective way to minimise friction and produce agreement was for stores societies to be given a limited representation on the committees of marketing societies and for advisory boards consisting of representatives of both categories to be formed for reconciling the interest of the Institutions concerned.

Conclusion.—A realistic survey of the movement should convince anybody of the limitations of honorary service and of the urgent need for a trained and adequately paid staff, especially in banking, agricultural marketing, and other forms of specialised non-credit work. However willing an honorary worker may be, it often happens that he has neither the training nor the time to discharge his duties efficiently; and business must be conducted as a full-time job by men with the necessary technical equipment. It seems to me that the most important desideratum for the future is, besides an all-round improvement in the literacy and education of the people, a constant stream of trained men, adequately paid, to run co-operative institutions. Some steps have already been taken in this direction, and I hope it may be possible in the near future to ensure that all important co-operative societies will have such a staff. The cry is being frequently raised that officials interfere too much with the work of societies and that they should keep their hands off and intervene only in the last resort, when things are well-nigh hopeless. It seems to me, however, that it is much better to prevent evils creeping into societies and to set matters right *in time*, than wait till it is too late and then conduct a statutory postmortem. On the department has been cast the statutory duty of safeguarding the interests of the public and the proper working of societies; and this duty cannot be satisfactorily discharged by waiting in the ante-room till societies think fit to call it in. Unfortunately, however, any action taken by the department to set the affairs of a society right, or to advise its governing body to remove elements which are likely to wreck it, is pointed out in interested quarters as unwarranted intrusion into its domestic affairs. It is surprising, nevertheless, to see in how many cases the very persons who raise the cry of official interference ask the Registrar to go much farther and nominate the entire board of management of a newly started society and thus deprive the general body of its franchise on the plea that only such a course would save the society from initial factions and disputes. I am glad to say, however, that there has been a general awakening of the rank and file of the movement to the real facts of the situation, and an increasing recognition on their part of the truism that, unless it is cleared of elements which have developed vested interests, progress is bound to be almost impossible. The department can never regard itself as divorced from a movement with which it is so closely connected. It must pursue in future, with no less vigour than in the past, its duty of enlightening the "average co-operator."

General Progress.—The following statement shows the number of societies of various types, excluding the provincial banks, central banks societies, and unions, for the last four years—

	1937-38	1938-39.	1939-40.	1940-41.
Agricultural credit societies ..	10,520	10,926	11,191	11,058
Land mortgage banks ..	101	112	119	119
Non-agricultural credit societies ..	1,070	1,131	1,168	1,171
Sale societies and marketing societies ..	132	147	167	177
Agricultural stores and trading unions ..	7	9	6	5
Milk-supply societies ..	39	51	88	104
Milk-supply unions ..	4	6	15	17
Irrigation societies ..	12	13	14	15
Agricultural demonstration and improvements societies ..	35	39	42	43
Land reclamation societies ..	10	10	9	7
Sugarcane growers' societies ..	15	15	14	14
Consolidation of holdings societies.	5	16	22	26
Scheduled castes non-credit societies ..	289	291	297	301
Colonization societies ..	2	3	4	6
Stores ..	73	85	236	254
College and school students' stores.	89	94	222	354
Weavers' societies ..	132	173	191	194
Cottage industries societies for women ..	9	22	25	21
Other cottage industries societies.	28	46	63	68
Buildings societies ..	127	126	122	117
Labour contract societies ..	18	22	23	27
Fishermen's non-credit societies ..	28	28	32	34
Better Living societies ..	50	54	51	53
Thrift societies for women.	22	19	18	13
Total ..	12,835	13,461	14,170	14,251

Membership.—The membership in societies rose by about 3 per cent from 1,165,000 on 30th June 1940 to 1,196,543 on 30th June 1941.

Working capital.—The total working capital of all classes of societies rose from Rs. 2,404 lakhs to Rs. 2,510 lakhs, an increase of 4 per cent.

Transactions.—The total amount of loans outstanding against members has increased from Rs. 1,801 lakhs to Rs. 1,855 lakhs, that is, by about 3 per cent. There has been a slight fall in the transactions of agricultural credit societies and an appreciable increase in the business of agricultural non-credit societies. While the loans outstanding against members in the credit societies have fallen by about Rs. 23 lakhs, they have increased by about Rs. 29 lakhs in the non-credit societies, particularly sale societies. Evidently, the ryots are to an increasing extent availing them-

selves of the credit and other facilities afforded by sale societies and are borrowing less from credit societies.

Overdues.—In the year, there was a fall in the percentage of overdues in central banks, land mortgage banks and in agricultural and non-agricultural credit societies, while there was a rise in the percentage in agricultural non-credit societies.

The following statement shows the percentage of overdues under principal in central banks, agricultural societies and non-agricultural societies during the past five years:—

Year.	Central banks.	Agricultural societies.	Non-agricultural societies.
1936-37	51.15	58.76	21.90
1937-38	50.20	55.45	20.86
1938-39	42.21	47.17	19.94
1939-40	35.35	40.58	16.86
1940-41	33.03	38.93	18.62

Non-credit institutions, in general, have recorded another year of steady and satisfactory progress.

Resources.—The percentage of owned capital (share capital *plus* reserve fund) of the societies to their working capital has slightly fallen in the Madras Provincial Co-operative Bank and the district central banks; in the case of other types of societies the percentage has slightly risen. In the Madras Provincial Co-operative Bank and central banks, though the percentage has slightly fallen, there has been no reduction in the total amount of the capital owned by them; on the other hand, there has been an increase. The fall in the percentage was because the owned capital of the banks did not increase in the same ratio as their borrowings; such fall is not necessarily a sign of weakness but a result of the increase in their business.

In agricultural societies, while there was an increase in the proportion of members' deposits to total deposits from individuals, there was actually a fall in the amount of such deposits. There was a reduction in the amount of deposits held by non-members also.

As for non-agricultural societies, the steady increase in the amount of deposits held by members as well as non-members during the past few years was maintained. The proportion in which members and non-members held the deposits, however, remained the same as in last year.

In central banks, out of Rs. 154.57 lakhs held in deposit by individuals, Rs. 27.98 lakhs, that is, 18 per cent, were held by the individual members of the banks. On an average, each member held as deposit Rs. 690 against Rs. 692 last year.

Short-term and medium-term loans.—In agricultural societies, 54.37 per cent of the total loans was for periods less than one year, 3.84 per cent for periods ranging between one and two years, 32.34 per cent for periods between two and five years.

and 9·45 per cent for periods exceeding five years. In non-agricultural societies the corresponding percentages were 26·30, 19·89, 40·73 and 13·08. The Committee on Co-operation had suggested that Provincial and central banks as well as primary societies should confine their operations to short-term and medium-term loans and that the latter type of loans should normally run for five years, in exceptional cases to seven years, and in no case beyond seven years. On an examination of the financial position of central banks I found that, in 13 of the 30 banks, their medium-term and long-term investments in loans exceeded their medium-term and long-term resources. I, therefore, suggested that Government might frame a rule restricting the period of medium-term loans by central banks and societies to three years and empowering the Registrar to fix, by a general or special order in writing, how much of the resources of a financing bank or credit society should be for short-term and for medium-term credits. Government have published the draft rule for criticism.

Purpose of loans.—Much the larger part of the loans issued by agricultural societies was, as usual, for productive purposes. Both the amounts and the percentage of such loans to the total loans issued have increased. The steady fall in the loans for non-productive purposes is also satisfactory. I cannot, however, congratulate the persons who are in charge of the management of these societies for having advanced as large a sum as Rs. 35·23 lakhs for the redemption of prior debts. Land mortgage banks specially formed for relieving ryots from the burden of their prior debts have now been in existence for over a decade and I see no point in other societies continuing to issue loans on a large scale for the same purpose. I need hardly state that one of the main reasons for the persistence of overdues is the issue of loans for the discharge of prior debts by credit societies. I hope that as a result of the several schemes now in operation for teaching the panchayatdars and members of societies the principles of co-operation there will be a perceptible improvement in this respect. Urban credit societies should use a larger proportion of their funds to give loans to artisans, small traders, etc., for developing their business.

Value of loans.—In agricultural societies the proportion of the loans issued for sums exceeding Rs. 250 is steadily on the increase. From 53·94 in 1938-39 the percentage increased to 56·32 in 1939-40 and to 59·22 in 1940-41. This is not a very satisfactory feature. In non-agricultural societies, too, the percentage of loans for sums exceeding Rs. 250 is still high, though it has fallen from 52·25 in 1939-40 to 49·72 in 1940-41. Both in agricultural and non-agricultural societies the percentage of loans for sums less than Rs. 50 was less than 14 per cent of the total loans issued by them. Co-operative societies have been formed mainly for the benefit of persons of limited means, and this cardinal fact should not be ignored.

Security for loans.—In agricultural societies, the percentage of loans outstanding on the security of produce and finished products has increased from 16·84 to 25·26, while that of loans on the mortgage of immovable property has fallen from 42·15 to 38·43. While these are undoubtedly satisfactory features, the fall in the percentage of loans on personal surety is not a happy sign. Societies which claim to be really co-operative in character should issue more loans on personal security and less on the mortgage of immovable property. There was, however, some improvement in this direction in non-agricultural societies.

The War.—The policy of starting primary and wholesale stores with a view to safeguard the interests of consumers against the conditions brought about by the

stores have been running canteens as a subsidiary activity. These canteens altogether did business to the extent of Rs. 88,217 and earned a total net profit of Rs. 3,302. They constitute one line of public health activity in urban areas.

Co-operative Milk-supply Unions and Societies.—These societies usually have large quantities of surplus milk during the monsoon months. They convert it into milk sweets or ghee but this is not profitable. There is a large demand for table butter and tinned cheese for supply to the Army, and attempts are being made to see whether co-operative societies cannot profitably utilize their surplus milk in this direction. I am asking the bigger milk-supply unions like those at Madras, Coimbatore, Madura and Kodaikanal to try the manufacture of table butter and cheese from their surplus milk, and my Dairy Expert has also demonstrated to the Coimbatore Milk-supply Union the proper method of preparing Cheddar cheese. If the attempts prove successful, milk-supply societies and unions will be taking up a useful line of activity.

Another disability under which milk institutions suffer is the lack of fodder in summer months. To get over the difficulty, the ensilaging of grass has been attempted as an experimental measure, by the Kodaikanal and the Bellary Milk-supply Societies under the guidance of the Dairy Expert. To enable the societies to do this work on a large scale, I have proposed to Government that they may be permitted to remove monsoon grass in forest areas free of cost. The proposals are under their consideration.

Madras Provincial Co-operative Bank.—The deposits from individuals rose from Rs. 78.29 lakhs to Rs. 96.47 lakhs during the year. The deposits from central banks and societies also rose from Rs. 65.35 lakhs to Rs. 83.03 lakhs. There was a slight fall from Rs. 63.53 lakhs to Rs. 61.96 lakhs in the deposits from joint-stock and other institutions and local boards. The total borrowings, however, increased from Rs. 228.56 lakhs to Rs. 241.46 lakhs. The entire borrowings were by way of deposits. The working capital of the bank also increased from Rs. 264.91 lakhs to Rs. 279.45 lakhs. The owned capital was Rs. 37.98 lakhs, i.e., 15.7 per cent of the total deposits. The bank continued to have the overdraft accommodation of Rs. 37 lakhs allowed by the Imperial Bank of India.

There was a further increase in the volume of loans given by the bank to central banks during the year; the loans totalled Rs. 119.77 lakhs as against Rs. 99.82 lakhs in the previous year. The loans on the pledge of produce alone amounted to Rs. 92.13 lakhs as against Rs. 62.35 lakhs in the previous year.

The loans outstanding against Central Banks at the end of the year amounted to Rs. 99.56 lakhs. The banks kept their obligations to the Provincial Bank, and there were no overdues at the end of the year.

The Bank continued to finance the Vuyyur Agricultural Industrial and Credit Society and the Madras Officials' Automobile Co-operative Society. It also financed the Madras Handloom Weavers' Provincial Co-operative Society in respect of marketing and yarn advances to primaries. The total advances made by the Provincial Bank during the year to societies other than Central Banks amounted to Rs. 16.57 lakhs, and Rs. 11.9 lakhs were outstanding at the end of the year. The advances to individuals amounted to Rs. 5.27 lakhs, and Rs. 2.57 lakhs were outstanding. The Bank earned a net profit of Rs. 2.53 lakhs.

The Bank continued the scheme of subsidies to Central Banks for the development of sale societies and their marketing operations. The total subsidy given during the year was Rs. 25,500 for development of sale societies and Rs. 4,485 for marketing. The bank also gave a subvention of Rs. 3,725 to five Central Banks; which undertook a special scheme of overhaul of societies approved by the Provincial Bank and the Registrar, and employed a special staff for the purpose.

The Madras Co-operative Central Land Mortgage Bank.—The by-laws of Primary Land Mortgage Banks and the Central Land Mortgage Bank provide for the issue of loans for land improvement, but loans have, so far, been given almost exclusively for the liquidation of prior debts. The Central Land Mortgage Bank has now taken up the financing of land improvements also. As regards the necessary funds, the Bank has estimated that, for some time, its own resources will be sufficient and that the necessity to float debentures for this purpose for shorter periods will not arise in the immediate future. As the issue of loans for land improvements is a new venture and bears no resemblance, both in the matter of investigation of loan applications and in their disbursement, to the loans hitherto issued by Primary Land Mortgage Banks for the discharge of prior debts, the Central Land Mortgage Bank has set about framing rules to regulate their sanction and disbursement.

Primary Land Mortgage Banks.—There were 119 banks at the beginning of the year, and no bank was either registered or dissolved during the year. The 119 banks cover 19,159 villages. Loans were issued in 5,590 villages.

The loans taken in the year from the Central Land Mortgage Bank amounted to Rs. 40.55 lakhs while repayments were made to the extent of Rs. 18.21 lakhs. The total outstanding at the end of the year stood at Rs. 240.90 lakhs. As in the previous years, there were no overdues to the Central Land Mortgage Bank either under principal or under interest.

During the year, 2,827 loans totalling Rs. 42.17 lakhs were issued to members as against 2,838 loans for Rs. 42.57 lakhs issued in 1939-40. The slight fall in transaction was partly due to the fact that applications for loans exceeding Rs. 5,000 were not entertained by the banks, and partly because of the rise in land values, which encouraged ryots to discharge their debts by disposing of a part of their lands without approaching the banks for loans. The collections made from members in the year amounted to Rs. 17.36 lakhs, leaving a balance of Rs. 246.90 lakhs outstanding at the end of the year.

Urban credit—Non-agricultural credit societies.—These societies generally did not make any marked progress during the year. While the number of societies remained almost the same as in the last year, their membership fell by about 2 per cent, and the loans outstanding against members also came down by about 1 per cent. There was, however, an increase in the working capital of the societies by 2 per cent. Though the total borrowings of the societies during the year rose by about Rs. 2 lakhs, the loans taken from central banks fell by more than Rs. 7 lakhs. The deposits received both from members and non-members were more than in 1939-40 particularly those from members which increased by about Rs. 8 lakhs. The societies did not find any difficulty in raising from the public the necessary funds for their business even in the uncertain conditions created by the war.

Co-operative Marketing and loans on produce.—The transactions of sale societies during the past three years are exhibited in the following statement:—

Year	1938-39	1939-40	1940-41
Number of members	27,548	36,787	45,637
	Rs. (In Lakhs).	Rs. (In Lakhs).	Rs. (In Lakhs).
Loans issued during the year ..	95.86	107.30	142.56
Value of stock at the beginning and that received during the year ..	179.05	230.52	303.21
Value of stock released without sale	52.13	109.34	124.04
Value of stock sold ..	45.87	44.75	46.57
Net profit ..	0.43	0.67	0.67
Net loss ..	0.11	0.20	0.20

During the last two or three years there has been a very rapid increase in the volume of loans given by co-operative societies on the pledge of produce stored with them. Both the Madras Provincial Co-operative Bank and the Central Banks have been doing an extensive business in this line and have invested large sums of money in it.

The Madras Provincial Co-operative Marketing Society which was started in 1936 with the object of stimulating and co-ordinating the work of sale societies and arranging for the sale of their surplus produce in Madras or in other markets, has made some progress, but only in a limited sphere. It has not yet taken up wholesale marketing except in the case of 'Sathugudi' oranges; it has been mainly functioning as a retail society in respect of articles of domestic consumption like rice, dholl, ghee, etc., and its transactions in this respect are mostly confined to Madras. In 1940-41, the total value of the articles sold by it was only Rs. 2.35 lakhs. It seems time for it to take up the co-ordination of the various sale societies with regard to wholesale marketing of their produce.

Primary and wholesale stores —The following statement shows a summary of the transactions of primary stores societies for the last three years:—

Year.	Value of goods on hand at the beginning and those bought during the year.	Value of goods sold.	Net profit.	Net loss.
	Rs. (In Lakhs.)	Rs. (In Lakhs.)	Rs.	Rs.
1938-39	25.03	23.77	68,003	12,062
1939-40	39.46	35.62	83,972	15,835
1940-41	61.92	58.33	1,26,367	56,042

The Triplicane Urban Co-operative Society continued to be the premier primary store in the Province. It had 30 branches, 6,547 members and a share-capital of Rs. 87,203. The value of goods sold by it during the year was Rs. 11.57 lakhs, i.e., Rs. 1.93 lakhs more than in 1939-40. The working of the society resulted in a net profit of Rs. 17,905.

Societies for handloom weavers.—The statement below shows the transactions of primary weavers' societies in the last three years:—

Year.	Value of raw materials purchased.	Value of finished products sold to the public.	Net profit.	Net loss.
	Rs. (In Lakhs).	Rs. (In Lakhs).	Rs.	Rs.
1938-39	3.22	7.37	16,319	27,348
1939-40	4.84	11.19	39,378	34,161
1940-41	6.52	14.06	53,219	20,963

The Madras Handloom Weavers' Provincial Co-operative Society had at the end of the year a membership of 181 weavers' societies, 87 individuals, 9 firms, 48 central banks and other co-operative societies, and one institution, and it had a paid-up share capital of Rs. 63,425. During the year, the society received from Government a subvention of Rs. 93,041, of which Rs. 40,676 were given to 135 primary weavers' societies for meeting their establishment charges and the purchase of weaving appliances and the balance was utilized for the working expenses of the Provincial Society, its two emporiums, 6 sales depots and the dyeing factory at Madura. The Provincial Society guaranteed the supply of yarn by mills to its primaries to the extent of Rs. 96,940. Cash credit loans for Rs. 19,209 were given to societies for the purchase of the raw material required by their members and for payment of wages. Loans were also given to the societies to the extent of Rs. 21,783 on the security of the finished goods kept by them in the sales depots. Owing to the inability of the Provincial Society to finance all primary societies to the extent needed by them, some of the primaries have been occasionally taking advances also from local central banks. Experience has, however, shown that this arrangement under which societies are given loans by two different institutions is not quite satisfactory. I am, therefore, advising Central Banks to give primary weavers' societies all the loans they require on the security of finished products, and the Provincial Society to confine itself to giving a guarantee to mills for the supply of yarn to the societies.

Central banks sanctioned advances to weavers' societies to the extent of Rs. 2½ lakhs during the year. The Provincial Society has recently appointed a standardization assistant to regulate production in societies, as well as 8 marketing officers who have guaranteed sales up to a fixed minimum of Rs. 10,000 a month. To increase the sales, arrangements are also being made to supply the requirements of

departments under the Local Government as well as the Army, as far as possible. The posts of supervising officers have been abolished and the supervision of the societies has been taken over by the department. As for the change in the constitution of the Board of the Provincial Society, Government have approved the proposal to include on the Board of Management experts representing spinning mills and the cloth and yarn trade.

Co-operative milk-supply societies and their progress.—The transactions of milk-supply societies and unions in the past three years are given in the following statement:—

Year.	Number of members.	Value of milk produced or purchased.	Value of milk or milk-products sold.	Net profit.	Net loss.
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Milk-supply societies.

		Rs.	Rs.	Rs.	Rs.
1938-39	1,613	2,69,777	2,73,612	1,082	986
1939-40	3,082	3,79,620	3,89,779	2,984	1,168
1940-41	4,199	6,12,106	6,44,129	5,127	2,609

Milk-supply unions.

1938-39	53	2,88,198	3,44,838	3,396	1,093
1939-40	118	3,91,346	4,73,348	5,800	1,890
1940-41	292	5,77,171	6,88,650	8,385	5,949

For the year 1941-42, of the twenty-four tenders put in by milk-supply societies and unions for the supply of milk to Government hospitals and jails, only nine were accepted. The rates tendered by most of the societies which did not secure the contracts were below the real market rates but they were not accepted as private contractors had quoted still lower rates. I have been impressing it on these institutions that they should try to increase the number of individual customers rather than mainly depend on these institutions for bulk orders to build up their business.

Insurance Societies.—There were three insurance societies at the end of the year. The South India Co-operative Insurance Society issued during the year 1,745 policies for Rs. 17.42 lakhs and paid claims amounting to Rs. 41,938. At the end of the year 8,028 policies for Rs. 70.87 lakhs were in force. The amount in the life fund on 31st December 1940 stood at Rs. 7.24 lakhs.

Sugar-cane growers' societies.—The Vuyyur Sugar-cane Growers' Union in the Kistna district, with a membership of 746, issued loans to members for Rs. 71,422 and distributed to them manure worth Rs. 42,490. The union has been acting as a feeder society to the Vuyyur Co-operative Agricultural, Industrial and Credit Society. This society worked its factory for 129 days in the year and produced 8,954 tons of sugar at a cost of Rs. 23.61 lakhs, as against 77 days, 4,505 tons and Rs. 10.34 lakhs, respectively in 1939-40. It sold sugar for Rs. 17.17 lakhs and had

stock on hand, valued at Rs. 6.43 lakhs. The directors of the society have proposed to sell the factory as a going concern and the general body has agreed to the proposal. Its survival as a co-operative society, is, therefore, problematical. The Hospet Sugar-cane Growers' Society in Bellary sold to the India Sugars and Refineries, Limited, cane worth Rs. 90,419. As the affairs of the society were not being managed properly, I have recently superseded its committee under section 43 of the Act. The Coimbatore Sugar-cane Growers' Union issued crop loans to members to the extent of Rs. 5,755, besides supplying them with manure. It also marketed about 7,000 tons of sugar-cane and 1,500 pounds of jaggery. The Coimbatore Sugar Manufacturing Society which was started in September 1940 did not do any work during the year. Recently, however, it has purchased a sugar factory at Podanur at a cost of Rs. 1,35,000 and is now devoting its attention to the collection of the necessary share-capital for meeting this expenditure.

Fruit Growers' Societies.—There were 16 societies of this type at the end of the year, of which the Kodur Fruit Growers' Society in Cuddapah was the most prominent. This society had 306 members. During the year, it exported the produce of its members, chiefly oranges, limes, mangoes, melons and betel-leaves, to the extent of Rs. 1,63,408 and earned a commission of Rs. 7,230. For arranging the sale of fruits it had paid agents at Anantapur, Hindupur, Hyderabad and Bangalore. A large quantity of fruits was also sold through the Provincial Marketing Society, Madras. The Chittoor Mango Growers' Society the Palacole Fruit Growers' Society in East Godavari, the South Kanara Fruit Growers' Marketing Society and the North Malabar Fruit Growers' Society did some work. The rest did not do anything tangible.

BIHAR

Extracts from the Report of the Registrar of Co-operative Societies, Mr. M. M. Philip for the year 1940.

General Progress—Registration of societies.—The total number of working societies of all kinds including the Co-operative Federation and the Provincial Co-operative Bank stood at 8,288 as against 7,762 in the previous year. 34 registered societies, which are not working, have been excluded. There was a net increase of 526 societies, most of them being Canegrowers' Co-operative Societies. The department continued to follow a very cautious policy in the organisation of new credit societies.

Classification.—A statement showing the percentage of classification of societies audited during the year under report is given below:—

A (Model)	.. 1.04	D (Bad)	.. 21.12
B (Good)	.. 7.86	E (Hopeless)	.. 4.31
C (Average)	.. 65.67		

The Bihar Provincial Co-operative Bank.—The working capital of the Provincial Co-operative Bank, further decreased from Rs. 91,29,546 to Rs. 89,66,000 due to refund of deposits. The paid up share capital, however, remained the same as in the previous year, viz., Rs. 5,84,400. This is the seventh year in succession during

which no dividend could be declared for want of any distributable profits. The statutory Reserve Fund increased from Rs. 4,55,905 to Rs. 4,77,400. The Reserve for contingencies stood at Rs. 3,60,542 as in the previous year.

The decrease in the total amount of deposits of all kinds excluding Government loans and the over-draft from the Imperial Bank of India was Rs. 8,97,000 leaving a balance of Rs. 44,42,000 (Rs. 55,03,000 from individuals and Rs. 9,34,000 from Banks and Societies) at the close of the year against Rs. 53,59,000 in the previous year.

Out of the balance of Rs. 23,60,000 of the Government loans outstanding against the Bank at the end of the previous year nothing could be paid during the year under review. The balance of Rs. 10,000 out of the Government loan of Rs. 30,000 advanced to the Bank for financing of Canegrowers' Co-operative Societies was, however, repaid in time.

The Bank continued to follow a very cautious policy in the matter of fresh financing. No fresh loans except some short-term loans to 8 good societies of the defunct Gaya Central Co-operative Bank and to the Paharia Societies were given to any Bank or Societies.

The Bank continued to be handicapped by increasing overdues in the loan accounts of central co-operative banks and societies. The total demand on account of principal from Central Banks and societies during the year including the overdues of the previous year was Rs. 43,93,000 out of which a sum of Rs. 80,000 only could be realised leaving a balance of Rs. 43,13,000 as overdue. Out of Rs. 9,21,000 due as interest Rs. 59,000 only was realised during the year leaving a balance of Rs. 8,62,000 as overdue.

The total amount of loans against fixed deposits stood at Rs. 79,000 on the 31st December, 1940 against Rs. 1,30,000 on the 31st December, 1939. Nothing out of these loans was overdue.

On the working of the year under review the Bank made a profit of Rs. 1,60,000 including the sum of Rs. 1,21,000 brought over from the previous year. The year's profit was, therefore about Rs. 40,000 against Rs. 3,000 in the previous year. This rise in the year's profit was due to the calculation of interest on investment in some of the Central Banks on which no interest was calculated before due to their bad financial condition.

Central Banks and Unions—General.—The number of Central Banks and Unions continued to be 53. The aggregate paid up share capital on the 31st December, 1940 was Rs. 15.95 lakhs against Rs. 16.07 lakhs on the 31st December, 1939. There was a decrease of Rs. .12 lakhs against Rs. .15 lakhs in the previous year. The working capital also decreased by Rs. 5.58 lakhs from Rs. 160.73 lakhs on the 31st December 1939 to Rs. 155.15 lakhs on the 31st December, 1940. The paid up share capital and reserves represented 10.2 and 9.2 per cent respectively of the working capital. The total statutory Reserve stood at Rs. 7.45 lakhs being 4.8 per cent of the working capital. The proportion of owned to borrowed capital was 1:4.

Deposits.—The total deposits held by Central Banks and Unions which stood at Rs. 78.49 lakhs in the previous year decreased by Rs. 5.24 lakhs leaving a balance

of Rs. 73.25 lakhs at the end of the year under review out of which Rs. 4.98 lakhs was held by societies and the balance of Rs. 68.27 lakhs by individuals (Rs. 5.61 lakhs by members and Rs. 62.66 lakhs by non-members).

Collection—Principal.—The total collection on account of principal which amounted to Rs. 4.08 lakhs represented 4.2 per cent of the total demand against 3.6 per cent in the preceding two years.

The combined percentage of collection of principal and interest comes to 5.9 against 5 and 5.4 in the years 1939 and 1938 respectively.

Advances.—The banks advanced to their affiliated societies Rs. 1.93 lakhs against Rs. 1.84 lakhs advanced in the preceding year.

Agricultural Societies.—The total number of working agricultural societies of all types was 8,016 against 7,486 with 1,94,000 members against 1,79,838 in the preceding year. The paid up share capital and the working capital amounted to Rs. 10.65 lakhs and Rs. 138.83 lakhs respectively against Rs. 10.71 lakhs and Rs. 142.55 lakhs in the preceding year. The statutory reserve and the other funds stood at Rs. 25.95 lakhs and Rs. 1.40 lakhs respectively against at Rs. 25.93 lakhs and Rs. 1.33 lakhs in the previous year. The percentage of owned to borrowed capital was 37.6.

Primary credit societies with unlimited liability.—The number of this class of societies decreased from 6,606 to 6,571 and the membership from 1,52,745 to 1,49,704. The working capital and the reserves stood at Rs. 137.26 lakhs and Rs. 27.04 lakhs respectively against Rs. 141.24 lakhs and Rs. 26.99 lakhs in the preceding year. The total amount of loans advanced to members during the year was Rs. 2.26 lakhs against Rs. 2.06 lakhs advanced in the previous year.

Statement showing the demand, the collection and the overdues.

	Total demand.	Collection.	Percentage of collection.	Total outstanding at the end of the year.
	Rs.	Rs.		Rs.
Principal	92,05,416	6,77,676	7.3	85,27,740
Interest	89,79,966	6,34,584	7.6	83,45,382

Grain golas.—The number of grain golas was 23 as in the preceding year. The membership increased from 8,429 to 8,461. Cash and grain to the value of Rs. 3,259 were advanced to the members against Rs. 5,456 in the previous year and the total repayments amounted to Rs. 3,600 against Rs. 4,835 in the preceding year. The total amount outstanding was Rs. 39,167 out of which Rs. 13,558 was overdue.

Cane-growers societies.—As a result of the policy of caution expansion followed during the year under review 1,488 Canegrowers' Co-operative Societies and 32

Co-operative Development and Cane Marketing Unions functioned during the crushing season 1940-41 against 1,096 canegrowers' societies in operation in the last crushing season. These societies claimed a total membership of 37,144 canegrowers in 1940-41 with an average of 25 per society. The Canegrowers' Co-operative Societies supplied to Sugar factories 87,99,673 maunds of cane against 66,75,576 maunds in the preceding year. Due to the restricted production of sugar, the societies were not able to sell their entire cane to sugar factories. Over 20 lakh maunds were converted into Gur by indigenous methods. The Cane Department assisted the members with indigenous bullock-driven crushing machines and pans as far as possible. Efforts were also made to ensure the disposal of a portion of gur manufactured by these societies.

From reports received, it appears that 95 per cent of the cane planted by members of Canegrowers' Co-operative Societies is now grown in lines according to the methods recommended by the staff employed under the Sugarcane Improvement Scheme. The number of manure pits and compost heaps has increased considerably. There are now 5,036 manure pits and 3,698 compost heaps. Members of these societies have taken up green manuring of the cane crop enthusiastically. There are 768 sets of improved agricultural implements in Canegrowers' Co-operative Societies. The ideal is to induce every Canegrowers' Co-operative Society to equip itself with a set of improved agricultural implements consisting of a Bihar plough, a Ridging plough and a three or five-tined cultivator. Vigorous propaganda has been undertaken for replacing the older varieties of cane with higher sucrose yielding varieties recently introduced. The acreage under cane of these improved varieties (Co. 299, Co. 313 and Co. 356 cane) in Canegrowers' Co-operative Societies in 1941-42 has been estimated at nearly 25,000 acres. Only less than 7 per cent of the acreage under cane in those societies is reported to be still under older varieties.

Non-agricultural Societies—General.—The number and membership of non-agricultural societies decreased from 215 to 211 and 35,068 to 34,914.

Provincial Societies.—The number of these societies was 9 as in the preceding year. The Provincial Civil Service Co-operative Association with 367 members had the largest amount of working capital which stood at Rs. 3,40,396. The share capital and the Reserves of the Association amounted to Rs. 67,333 and Rs. 24,024 respectively and it earned a profit of Rs. 5,164 on the year's working. The Police Officers' Co-operative Society Ltd., with 1,884 members owned the highest share capital amounting to Rs. 98,060 and earned the largest profit on the year's working viz., Rs. 9,670. The working capital and the Reserve stood at Rs. 2,12,569 and Rs. 48,081 respectively. The Posts and Telegraphs Co-operative Society which had 2,520 members earned a profit of Rs. 7,864 on a working capital of Rs. 2,48,844. The share capital and the Reserves amounted to Rs. 81,587 and Rs. 22,233.

Employees' Societies.—The number of employees' societies increased from 72 to 73, the membership increasing from 21,335 to 22,115. The share capital, the working capital and the reserves amounted to Rs. 18,07,536, Rs. 44,68,451 and Rs. 5,01,302 respectively and the societies earned a profit of Rs. 1,44,509 on the year's working.

People's and Traders' Banks and Urban Societies.—The number and membership of these societies decreased from 11 to 7 and 2,934 to 2,544. The aggregate

working capital, share capital and reserves stood at Rs. 6,44,043, Rs. 90,382 and Rs. 96,915 respectively and the societies earned a profit of Rs. 10,471 during the year.

Weavers' Societies.—The number of Weavers' societies of limited type was 9 as in the preceding year. There were 635 members. The working capital, share capital and the Reserves of these societies amounted to Rs. 33,614, Rs. 13,125 and Rs. 12,516 respectively and the societies earned a profit of Rs. 1,517 during the year. These societies sold their products at the exhibitions held at Patna and Laheriasarai and the sale proceeds amounted to Rs. 1,597.

Societies for depressed class.—There were 24 societies for depressed class. The membership stood at 748, working capital at Rs. 41,176, share capital at Rs. 4,135 and reserves at Rs. 13,693 and the societies earned a profit of Rs. 544 during the year.

Stores.—The number of co-operative stores was 6 as in the previous year. The Christian Co-operative Stores, Domchanch, with 127 members and a working capital of Rs. 9,647, share capital of Rs. 5,061 and reserves of Rs. 4,586, earned a profit of Rs. 3,946. The Ranchi Accounts Office Co-operative Stores, which had 184 members, had a working capital of Rs. 39,125, share capital of Rs. 3,330 and reserves of Rs. 11,315 and earned a profit of Rs. 1,995 during the year.

CO-OPERATIVE CONFERENCES AND MEETINGS.

THE 31ST ANNUAL GENERAL MEETING OF THE BOMBAY PROVINCIAL CO-OPERATIVE BANK, LTD. EXTRACTS FROM THE SPEECH OF MR. R. G. SARAIYA, CHAIRMAN. 26TH SEPT, 1942.

The Hon'ble the Commerce Member recently met representatives of the commercial communities to discuss the price control problem. I would earnestly request him to consult also representatives of agricultural communities and to utilize existing co-operative organizations, such as marketing societies, purchase and sale unions, primary societies, central and provincial banks, to ensure that the farmer gets an adequate price for his produce on the farm, and adequate supplies of his bare necessities at his cottage.

Briefly surveying in the principal events in the working of the Bank during the year, he said that the most striking feature of the year's working was the considerable increase that had taken place in the deposits held by the Bank. This is not a phenomenon peculiar to this Bank, but extends to all banking institutions in India. As elsewhere, the increase is greater in respect of demand liabilities than of time liabilities. As between deposits from individuals and from co-operative institutions, the increase is evenly spread. As against the total deposit liabilities of Rs. 2.40 crores, the Bank holds ample liquid resources aggregating to Rs. 1.70 crores in the form of cash and balance with banks, investments in Government and other trustee securities and in deposits with approved banks, the proportion that these resources bear to the total liabilities being a little over 7 per cent.

The Co-operative Movement cannot be deemed to have been organically linked up with the Reserve Bank of India unless satisfactory arrangements are devised for the discounting of agricultural co-operative papers. The lines on which this could best be done under the provisions of the Reserve Bank of India Act were under discussion by us during the year, with the Agricultural Credit Department of the Reserve Bank, on the one hand, and with our affiliated central banks, on the other.

You will notice that, as compared with the previous year, our debenture liabilities show a fall from Rs. 12.80 lakhs to Rs. 6.50 lakhs. While Government have refused to bear the entire loss incurred by the Bank in the land mortgage department, they have sanctioned a contribution of Rs. 24,000 for meeting these losses. The department has now been closed and its accounts have been merged into those of the Bank as a whole. The accumulated loss and the discount on debentures have been written off against the balance in the Sinking Fund which has been released with the repayment of the first two series of debentures.

In my previous year's speech, I had occasion to refer to the Bombay Agricultural Debtors' Relief Act. This Act has been made applicable to six talukas in the areas served by the Bank in two of which the Co-operative Movement is practically undeveloped. Although the Debt Adjustment Boards were established in January 1942, they have not yet made enough progress in their work to enable the Bank to gauge the effect of the provisions of the Act on its working. The question of the

grant of remissions to debtors by societies has been discussed with the Registrar of Co-operative Societies and the lines of the instructions to be given to them have been agreed upon. Government have framed a rule under the Bombay Co-operative Societies Act prescribing that societies should grant only such remissions as are approved of by the Registrar. Along with this, the question of the grant of crop finance in areas where the Act applies has been discussed in all its bearings with the Registrar.

Notwithstanding the remissions in interest to the extent of Rs. 25,000 granted during the year, it is somewhat satisfactory to find that the profits for the year are higher than in the previous years. This is mainly due to the large use made of the funds at the disposal of the Bank in advances against agricultural produce. The bulk of these advances are to individuals who are not members of local co-operative societies or banks. The Bank is very anxious to see that such business develops on a large scale among members of societies, particularly from the ranks of producers themselves. Where such proposals have been received they have been encouraged by the Bank; but I believe that for these efforts to succeed, a more energetic policy of developing local units for marketing and of granting subsidies to such units for liding them over their initial periods of development, and for the construction of rural warehouses should be embarked upon by Government, as in the Province of Madras.

The improved position in respect of profits justifies, in the Directors' opinion, the payment, as recommended, of a dividend of $3\frac{1}{2}$ per cent. that is higher than in the previous year by half a per cent. Although with the creation of the investment reserve, the book value of the Bank's investments in Government securities is less than the market value, in pursuance of the policy adopted two years ago, the Directors propose to set aside an appropriate contribution for bringing the value of the premium securities gradually to the face value before the dates of their maturity.

EXTRACTS FROM THE THIRD ANNUAL REPORT OF THE BOMBAY CO-OPERATIVE BANKS' ASSOCIATION. (1941-42.)

Membership and Constitution.—Out of 13 central financing agencies in the province (including the Bombay Provincial Co-operative Bank Ltd.), twelve which joined the Association at its inception continued their membership during the year under report. The number of member urban banks is 27, there being an increase of three to the membership in the year.

Activities of the Association.—Various questions of general policy affecting co-operative banking were considered by the Association during the year. Many of these were referred to the Association for opinion by the Registrar. Wherever necessary, these were referred to member-banks for an expression of their views and the opinions of the Association were formulaetd only after full consideration of such views. One of the most important of these questions was the grant of remissions to co-operative societies under the Bombay Agricultural Debtors' Relief Act. Questions relating to crop finance were also discussed with the Registrar.

Training Class.—Arrangements for the training of the staff of central financing agencies were entrusted to the Provincial Co-operative Institute, Bombay.

Bombay Province Co-operative Banks' Conference was held in the hall of the Poona Central Co-operative Bank on 23rd and 24th May and was attended

by representatives of 56 banks. The Registrar and the Officer, Agricultural Credit Department, Reserve Bank of India, were also present.

Arrangements for Audit.—Government were moved by the Association to reduce the scale of audit fees, but have not yet seen their way to do so. However, during the year arrangements were approved of by Government for the formation of a panel of professional auditors who would replace Government auditors for A and B class urban banks and salary-earners' societies in Bombay and housing societies which are not indebted to Government.

Voting by Employees of Co-operative Societies.—The attention of the Association was drawn by the Registrar to undesirable practices that had sometimes been noticed in connection with voting by employees of co-operative societies at the general meetings of such societies. The Executive Committee invited the opinion of member-banks on the steps to be taken to check the evils that might arise and the question was placed for discussion at the Banks' Conference.

Scale of Expenditure in Banks.—In the course of discussions on the Bombay Agricultural Debtors' Relief Act, the Registrar emphasised the need for reducing the expenditure of central financing agencies so as to enable them to bring down the lending rates of interest for agricultural borrowers to within the scale prescribed in the Act. Detailed information was obtained from member-banks and certain comparative data were collected with regard to the position in the Province of Madras. It is proposed to have a further discussion on the subject with the Registrar in the course of the current year and thereafter to offer suggestions, if necessary, to member-banks.

Miscellaneous.—Among other matters which engaged the attention of the Association during the year reference may be made to the following:—1. Exemption of co-operative societies from the Excess Profits Tax; 2. Recognition of approved urban banks as an agency for the purpose of making investments of the pension and provident funds of local authorities; 3. Revised form of quarters finance statement for urban banks; 4. Draft rules framed for the purpose of investigation of legal title and valuation of properties offered as security for advances by co-operative banks and societies.

EXTRACTS

THE BOMBAY PROVINCIAL CO-OPERATIVE INSTITUTE

Professor V. G. Kale in the course of his article in the *Bombay Co-operative Quarterly*, September 1942, on the re-organisation of the Bombay Provincial co-operative Institute says:—

A narrowing of the sphere of the Institute's activities was believed to be necessary in the interests of economy and efficiency. This departmental view was reinforced by the needs of a comprehensive scheme of rural development planned and undertaken by Government. Branches and propaganda officers of the Institute would be superfluous under the scheme into the structure of which that organisation and its activities had to be fitted. With the creation of the Provincial Rural Development Board and of District Development Boards, the stage was set for a remodeling of the Institute.

The Institute was, under the old constitution, a unitary body; it is now a federation. The scope of its functions was comprehensive; it is now restricted to co-operative education. Two important concessions have, however, been made. Individual co-operators can be members and are represented on the Executive Committee, and the Institute may function as a focussing centre of non-official opinion on subjects affecting the movement and for representing it in proper quarters. It is unnecessary to stress the importance of these provisions. To bring out clearly the significance of the important functional changes, the objects of the Institute embodied in the old by-laws and the new ones, are set down side by side.

The changes now effected, it will be noticed, (by a comparative study of the old and the new objects) are fundamental, being—structural and functional. The ideology reflected in the statement of objects in the old constitution viz., "to bring about the moral and material improvement of members of the Institute and of co-operative societies by supervision and other means and to bring them together for common endeavour and to create a community of interest among them" finds no place in the new constitution. The aim of those who framed the by-laws of 1926, both officials and non-officials, obviously was to transfer to representatives of co-operative institutions the initiative, the duties and the responsibilities of self-government and the task of expanding, guiding, regulating and improving the movement in the Province and to leave to the Department only the function of keeping a general watch and seeing that the co-operative law and rules were properly observed. This was a move in the right direction, as it would have brought our movement in a line with the developments in western countries by correctly drawing the line between non-official and official spheres. It would have laid the responsibility for the well-being and progress of the movement on people who ought to shoulder it. From this point of view, the new constitution of the Institute is obviously a retrograde move. Organised co-operative opinion will no longer have the initiative, the authority or the opportunity to formulate policies, devise improvements or exercise internal control. There will be no integration of activities and no unitary drive and moral force. Institutions will move in their own orbits without intimate ties binding them together in one common endeavour. Education being the predominant function of the Institute, edu-

cation committees will be the only links connecting the boards of supervising unions and through them the societies to the provincial centre.

Alternative courses had, in fact, been suggested when the organisation of the Boards of Supervising Unions were under discussion, but they did not commend themselves to the powers that be. It is not, however, only the feeling that what cannot be cured must be endured that has reconciled workers prominently associated with the Institute to the constitutional change; they have also been influenced by the desire to play a helpful part in the working out of the comprehensive scheme of rural development undertaken by Government, of which co-operation was made a vital integral part. Everything, therefore, depends upon how the experiment is carried out and ultimately turns out.

There is no reason, however, why one need feel pessimistic about the future. If the men endowed with the necessary enthusiasm and strong co-operative faith are not forthcoming, it will not be the fault of the new constitution but of non-official co-operators themselves. It is not so much the nature of tools as the use made of them that should count. The inspiring goal is there and Bombay has built up a tradition of constructive work achieved by devoted non-official co-operators, of which any Province may feel proud. The future is thus full of promise, provided people concerned rise to the height of their opportunities.

CANEGROWERS' CO-OPERATIVE SOCIETIES IN BIHAR

By C. A. MACLEAN, C.B.E.; M.C.; I.A.S.

Progress.—At the end of the previous year, numbers of Societies and Unions were 1,488 and 32, and in the course of the year 1941, these were increased by 598 and 18; bringing the totals to 2,086 and 50 respectively. The total membership at the end of the year stood at 49,106.

Cane Supply.—As the result of reduction in the acreage under cane in 1941-42, following excessive production in 1940-41, the societies supplied only 43.68 lakh maunds of cane to the factories, representing 14 per cent of the provincial crush for which they received 16.49 lakh rupees. The commission earned by the societies amounted to Rs. 44,990 compared with Rs. 1,22,374 in the previous season. This is partly due to reduction in the quantities of cane supplied to the factories, and partly due to reduction in the rate of commission from 3 to 2 pies per maund.

Agricultural Improvement.—During the period, the Cane Development staff distributed free of cost 7,300 maunds of cane seed, 160 maunds of fertilisers, 266 maunds of castor cakes and 38 maunds of sanai seed amongst the societies. Eight hundred and eighteen sets of improved agricultural implements were placed with the Co-operative Societies. Cane cultivation was demonstrated on 3,037 plots and 1,749 compost heaps were made. The members purchased 8,747 maunds of fertilisers and the societies also purchased 85 sets of implements. In addition, the members, on their own account, prepared 2,885 compost heaps and green manured 452 acres. The societies manufactured gur to the value of Rs. 1,43,500:

Owned Capital.—The owned capital of the societies, at the end of the year under report, amounted to Rs. 1,40,000 while the Unions owned Rs. 14,460. The declared policy of the department is to discourage borrowing from outside; but still a sum of Rs. 41,803-10-9 was due for recovery in the past crushing season of which a sum of Rs. 32,822-5-6 was recovered during the year.

War Efforts.—It is gratifying to note that the societies contributed Rs. 1,641-5 to the War Funds. They also invested Rs. 6,960 in Defence Savings Certificates.

Training.—Attention was paid to the training of the members of the Cane-growers' Co-operative Societies. Peripetetic classes were held at nine centres at which 1,100 members and office-bearers received training in book-keeping and in co-operative principles. Under the auspices of the Mass Literacy movemet, 154 centres were working and these were attended by 6,295 members.

Conclusion.—It is not claimed that either on the marketing or on the development side the societies achieved all that they should achieve, but the progress so far has been quite encouraging and holds promise for the future.

CO-OPERATIVE NEWS AND NOTES

The Research Department of the British Co-operative Union compiled interesting figures relating to the trade, membership and capital of the 1059 retail Co-operative Societies in Great Britain for 1941. According to these figures the total sale of the retail Societies in 1941 reached the record amount of £302,246,329, an increase of £3,365,339 on 1940. The increase in money value is due to rise in price for, as a matter of fact, there was a reduction in the volume of the goods sold. The membership of the societies increased to 8,773,255, an increase of 56,361 on 1940. This increase was notable for it was achieved in spite of the transfer of a large proportion of the civilian population into services and the unsettlement of the remaining owing to war-time conditions.

In spite of the curtailment of their economic activities, the Danish and the Dutch Co-operative Movements expanded their cultural activities during the war. The Co-operative organisations in these countries are demonstrating their faith in the future of co-operation by spreading the co-operative idea and preparing officials and employees for their post-war tasks.

In regard to the post-war industry, Sir George Schuster, a former Finance Member of the Government of India, warned the Industrial co-partnership Association in Britain that, if profitmaking continued after the war to be the primary motive of those at the head of the industry, it would lead to the loss of the very things for which they are fighting—the workers' demand for partnership in the industry, security of employment and proper standard. He further stressed on the great danger of rigid state control being imposed on the industry at every point if each concern attempted to run its own affairs according to its own single interests.

Long-term loans at 4 per cent per annum for the construction of godowns will now be given to all co-operative organisations in Bombay Province which undertake the work of marketing agricultural produce or and storage and supply of agricultural and domestic requirements of their members. The amount of the loan granted will be determined by the Registrar of Co-operative Societies and Director of Rural Development and will be limited to two-thirds of the cost of construction, subject to a maximum of Rs. 2,000. The concession was formerly given to multi-purpose societies and sale or supply societies to encourage them to build godowns adequate to their needs.

The Government of Bombay have introduced an amendment in the Bombay Co-operative Societies Act, which provides for a summary procedure for the recovery of the defaulted instalments of land mortgage banks. The amendment provides for the Registrar granting, on application by a land mortgage bank a certificate for the recovery of the instalments through the procedure prescribed for

the recovery of land revenue. When such a certificate is granted, it will be open to the Collector to take precautionary measures such as are provided for in sections 140 to 144 of the Bombay Land Revenue Code 1879 to facilitate the recovery of the dues.

The Government of Madras have adopted a new policy for the uplift of landless labourers (Harijans in particular). Colonisation has been started in six centres in Salem, Tanjore, and West Godavari districts within the last ten months. A total cultivable area of 3,130 acres has been assigned for cultivation. In ten other centres, pending completion of the survey of land to be assigned and split into convenient blocks, Government have instructed Collectors to allot land to prospective colonists for immediate cultivation, in pursuance of the "Grow More Food" campaign. A Press Note on the progress of the new colonisation schemes shows that in all existing centres societies have worked satisfactorily. They have reclaimed waste land, constructed wells, and also built houses with the aid of loans or small grants from Government.

But there are serious obstacles to be overcome, especially the opposition of non-members who endeavour to dissuade prospective colonists from joining the societies and, in one place, tried to obstruct survey operations. Each colonist should be given sufficient land to support himself and his family and, of course, the necessary finance to improve and cultivate the land. The average holding in some of the colonies seems too small, while the maximum loan of Rs. 50 allowed for a member is inadequate to enable him to put his holding to the best use. Both the size of the average holding and the amount advanced should, therefore, be suitably increased.

YEAR-BOOK AND DIRECTORY OF INDIAN CO-OPERATION 1942.

Some Press Reviews

This co-operative year-book and directory, the first of its kind in India, meets a long felt need for an authentic and up-to-date account of the entire field of co-operation in the Provinces and States of India. It is not sectional like the *Peoples' Year-Book* published by the British Consumers' wholesales, or the *Year-Book of Agricultural Co-operation*, published by the Horace Plunkett Foundation. It deals with producers' as well as consumers' organisations and with industrial as well as agricultural societies. In fact, there is none of that cleavage in the Indian movement, partly because of the lop-sided development of co-operation in India. Ours is predominantly an agricultural credit movement. Space has been set apart in the year-book for an account of all types of non-credit activities, more than in proportion to the part they play. The plan of this comprehensive work is well conceived and the veteran co-operator, Mr. Ramadas Pantulu, has been ably assisted by a worthy band of provincial editors and a loyal compiling staff.

The All-India Section, which is a fourth of the whole volume, contains some useful general articles bearing on co-operative finance. The General Editor leads off with a brief and helpful survey of the movement in all its phases: Mr. V. L. Mehta of Bombay follows with a full, factual account of the relations between the Reserve Bank of India and the co-operative movement. Another contribution, again more informative than argumentative is by Dr. B. V. Narayanaswami Naidu of the Annamalai University on the problem of rural indebtedness and the measures taken to deal with it in India. We get a full chronological account of the working of the All-India Co-operative Institutes' Association by Mr. Bashir Ahmed Khan, its Secretary, and a similar account of the Indian Provincial Co-operative Banks' Association by Mr. V. M. Thakore, its Secretary. The year-book has been published under the auspices of these two federal organisations of the movement. We get a list of all the co-operative journals published in various parts of India and a list of the principal financing and other co-operative institutions in the country. We get an idea of the strength of the co-operative departments in the Provinces and States, Maps showing the density of co-operative banks of different types and tabular statements giving some details of the strength of co-operative societies are helpful; but we wish there were a larger number of such statements giving more details of different types of societies. The "who is who among co-operators in India" arranged in order of Provinces and States is indeed a happy idea since it serves the purpose of introducing the several co-operators to one another from different places.

Parts II and III deal in detail with the history and working of various types of societies in the Provinces and States respectively. Much of the matter is summarised from the contributions received from writers, official and non-official: It has had in some cases to be supplemented by notes, especially on the general features of the area and population of the region and on the retrospect of the move-

ment therein. Still the impression left on the mind of the reader is that the treatment is not even. This is because of the uneven development of the movement itself in different areas and of the variety of contributors. The General Editor has taken care to eliminate expressions of personal views especially on controversial matters, on the sound principle that the year book should aim at recording facts rather than offer expositions of principles and practices of co-operation, which is done by the *Indian Co-operative Review*. We get a full and reliable account of agricultural credit societies and financing banks—long-term and short-term. We are struck with the progress of urban credit societies everywhere: Agricultural purchase and sale societies are functioning well only in a few provinces. The consumers' stores make a poor show except in Madras and Mysore: There are interesting accounts of special types of societies in certain provinces and States. A short account is given on co-operative education audit and supervision in each Province and State. It is not easy, nor is it necessary, to furnish a more detailed account of every phase of co-operation in each area in an all-India year book.

We fervently hope that this year book is only the first of a series, and that the all-India co-operative associations will see to it that it is continued year after year. We have only a few suggestions to offer for its improvement. A few comparative studies of the working of the more important types of societies in all the provinces and States would be welcome in the preliminary all-India section. A digest of co-operative law and recent enactments affecting co-operative societies would be a very useful addition. Short reviews and notices of books and reports dealing with co-operation and allied subjects would be very much appreciated by students of co-operation. All this would, of course, mean a large, well-paid and loyal editorial staff—the importance of which has yet to be recognised by the all-India Co-operative Associations. They have, however, rendered a great service to the co-operative world by recording the services of “unostentatious and willing workers” who have done the work without any remuneration: No wonder that for a massive and well-got-up volume of 720 pages, the price fixed is only Rs. 5, which is a marvel of cheapness.

—*The Hindu*

It was in 1922 that an attempt was first made, by Prof. H. L. Kaji, to bring out a publication in the nature of a Year-Book on Indian Co-operation. The present has been published after an interval of about a decade, in pursuance of a resolution of the Joint Session of the Standing Committees of the All-India Co-operative Institutes' Association and the Indian Provincial co-operative Banks' Association. The efforts of Mr. Pantulu in the preparation of this Year-Book, in the face of difficulties in collecting the enormous material supplied to him are evident in almost every chapter of the book.

The volume consists of three parts: In the first, the All-India Section, wherein contributions from academicians and publicists figure, problems of co-operation embracing the whole of India, as one unit, are dealt with. The Editor himself has commenced the section with an interesting survey of the Co-operative Movement, Questions connected with the relations between the Reserve Bank and the Co-operative Banks, are discussed by Mr. Vaikunth L. Mehta of Bombay. Dr. B.

V. Narayanaswami Naidu examines Co-operation in relation to Rural Indebtedness Mr. J. C. Kumarappa gives a sketch of the working of the All-India Village Industries Association. In "The Economics of Khadder," Dr. Pattabhi Sitaramayya explains how the economics of Khadder consists in "doing the largest measure of good to the largest number of people." An account of the origin, membership and activities of the two sister Co-operative organisations I.P.C.B.A., and A.I.C.I.A., the history of the Co-operative Organisations in India, and a Who-Is-Who among the Co-operators are also appended.

Since articles dealing with problems like Rural Credit, Urban Credit, Consumers' Stores etc., on an All-India basis, however comprehensive, cannot be expected to be as detailed, informative and vivid as a regional treatment, and since the progress of Co-operative Movement in each Province and State has each a lesson of its own to teach, which other Provinces and States cannot afford to neglect, Part II, treating of Co-operation, Province by Province in British India, and Part III, presenting the facts relating to Co-operative progress in the Indian States have been added.

Readers, specially research students, will miss the Subject Index in this publication.

—*The Indian Express.*

"This all-informing publication on Indian co-operative work generally will be welcomed throughout India and beyond it. Not only is it really the only work of its kind, it is also the first in the range of activities it seeks to cover. It deals from A to Z in co-operative endeavour in this country. That it is issued under the general Editorship of the Hon. Mr. Ramdas Pantulu is the best guarantee for its all-comprehensive character and accuracy. The fact that he has been actively helped by Provincial Editors, who are all connected with the great movement all over India, make it thoroughly authoritative in regard to facts and figures. Besides general articles of all-India interest, the details relating to the movement in the different Provinces and the leading Indian States are to be found here set down in a methodic fashion. While Mr. Ramdas Pantulu leads off on the movement in India, we have a valuable article on the Reserve Bank of India in its relation to Co-operative Banking by that well-known co-operator Mr. V. L. Mehta. This is followed by other notable articles, among which must be mentioned one on the Economics of Khadder by Dr. B. Pattabi Sitaramayya. Another article of more than ordinary interest is one on the Co-operative Press in India. The "Who is Who among Co-operators in India" is likely to be useful to all interested in the movement. Altogether, a most welcome addition to the Indian annuals' list. Possessing all the elements that go to make a sturdy annual, we feel it will live for a hundred years and more, taking it for granted that all co-operators and co-operative institutions will financially support it continuously. The Hon. Mr. Ramdas Pantulu deserves to be warmly congratulated on the conception and successful execution of the idea."

—*The Mysore Economic Journal.*

It is only natural that workers in the co-operative movement in the various Provinces and States in India should be confronted with problems of their own arising from the peculiar conditions in which their co-operative institutions have developed and that they should attempt to find suitable remedies to overcome their difficulties. It is equally natural that in the midst of this diversity of conditions and of efforts to meet them, the necessity should be felt of a central representative organisation which would bring non-official workers together so as to enable them to exchange notes and take common counsel with a view to shape policies and guide activities along proper lines. This essential work is being done by the two All-India Associations. Meetings and conferences are held under the auspices of these bodies and literature is published, which is informative and educative. A useful and valuable publication contemplated by these Institutions was a Directory and Year-Book of Indian Co-operation and the large volume before us is the outcome of this idea.

The value of such a Year-Book cannot be over-estimated, and the General Editor deserves to be warmly congratulated on the very useful volume he has produced. This is the first work of its kind in India and every one acquainted with the manifold difficulties which the editor of a compilation of this character has to face, will readily acclaim the Year-Book as a creditable performance. It is, of course, possible to improve the publication in more than one direction and the Editor himself is not unconscious of its deficiencies, and as the Year-Book will be revised and brought up-to-date at intervals, it may be confidently expected that the defects will be removed and improvements will be made along approved lines.

In a brief introduction, the Editor has explained the design of the book and the purpose which it is intended to fulfil. The volume is divided into three parts. The first of these contains a number of articles on different aspects of co-operative organisation contributed by well-known writers. These are calculated to create in the general reader interest in the co-operative movement. Mr. Pantulu leads with a good survey of co-operation in India, broadly reviewing the development of co-operative organisation and activities in various spheres and throwing out suggestions for improvement. Mr. Vaikunth Lal Mehta writes on the Reserve Bank of India and co-operative banking and indicates the lines on which the relation between these two should be regulated so that the object of the Agricultural Credit Department of the former may be fulfilled in practice to the advantage of the latter. Rural indebtedness is the subject of Dr. B. V. Naidu's article. It is followed by contributions

from Messrs. J. C. Kumarappa, B. Pattabhi Sitaramayya, V. M. Thakore and Bashir Ahmad Khan. Then there are brief accounts of the Indian Co-operative Press, Departments of Co-operation, co-operative organisations and statistical tables and maps of Provinces and States. This first part of the book appears, on the whole, to be rather thin and needs substantial improvement in the next edition. "Who's Who among Co-operators in India" is, of course, a valuable section and will be found useful for reference. The second and third parts of the book are devoted to instructive detailed descriptions of the constitution and working of co-operative institutions in British Provinces and States. To students of the co-operative movement in India those carefully compiled accounts will be extremely helpful and workers will find in them considerable food for reflection and inspiration for action. Sifting, selection and final presentation in proper form of material supplied to him cannot obviously have been easy for the General Editor and he has done his job satisfactorily. The size of the volume has outgrown the original estimate and intention, but Rs. 5, the price for a volume of seven hundred pages, particularly in these days of paper scarcity, is moderate. The book deserves to be patronised by institutions and individual workers.

‘The Bombay Co-operative Quarterly’

ACKNOWLEDGMENTS

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| <i>Scientific Agriculture, Ottawa.</i> | <i>The Nagpur Agricultural College,</i> |
| <i>Consumers' Co-operation, U.S.A.</i> | <i>Magazine.</i> |
| <i>Agricultural Economics Literature,</i> | <i>The United Provinces Co-operative</i> |
| <i>Washington, D.C.</i> | <i>Journal.</i> |
| <i>The Co-operative Review, Manchester.</i> | <i>The Bombay Co-operative Quarterly.</i> |
| <i>The Countrywoman, London.</i> | <i>The Madras Journal of Co-operation.</i> |
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| <i>Indian Farming.</i> | <i>The Travancore Co-operative Jour-</i> |
| | <i>nal, Trivandrum.</i> |

THE INDIAN CO-OPERATIVE REVIEW

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EDITORIAL NOTES

OURSELVES—PROGRAMME FOR 1943

With this issue we complete the eighth volume of the Review. We have been endeavouring to present our readers in each issue with materials which may help the specialised study of a select topic, and from our experience we find that this feature of the Review is generally liked by our readers. It is our intention to pursue the same course in future. But the success of our effort in this direction obviously depends upon the measure of response we may be able to receive to our appeals to co-operators in the several Provinces and States for contributions on specified topics. In view of the fact that co-operators all over the world are now mainly pre-occupied with schemes for evolving a new economic order based on the essential principles and methods of co-operation, we shall give prominence in the pages of the future issues of the Review to contributions from co-operators in India and abroad bearing on the place of co-operative organisation in the war and post-war economy, with special reference to Indian conditions. We earnestly invite contributions of this character. We have already published in the last three issues expository articles on the effects of the war on the co-operative movement in India and the lines on which the movement should be reorganised in order to enable Indian co-operatives to make their own contribution to the new world economic order. Accounts of constructive efforts that are being successfully made in other countries to organise agriculture and small scale industrial enterprises on co-operative basis so far as they may help Indian co-operators to explore the possibilities of similar measures, will be among the topics that will receive our special attention. It is with this view that we have published in this and the last issue very instructive accounts of what is taking place in China, one by Mr. V. L. Mehta, Managing Director of the Bombay Provincial Co-operative Bank on 'Wartime Democracay in China' and the other by Dr. J. Henry Carpenter, Chairman American Committee, China Industrial Co-operatives; on "Industrial Co-operatives in China."

An important problem in the programme of post-war economic reconstruction and reorganisation of our co-operatives will be the linking up of the co-operative consumers' societies with producers' organisations. We are glad to publish in this issue a very instructive article on the subject by Mr. K. C. Ramakrishnan of the Madras University who has made many notable contributions in the past to the pages of this Review. We shall try to pursue this topic further. Stated briefly our aim in the coming year will be to furnish our readers with expositions of schemes for re-organisation of our co-operatives so as to utilise them to integrate credit, production, marketing and distribution. We expect that the pages of this Review will reflect a new world outlook in which the motive of production and distribution will undergo a radical change, not in the interests of any particular class but of all people.

We apologise to our readers for the delay that has occurred in the year that has just expired in bringing out the issues every quarter as punctually as we used to do, owing to causes which were to some extent beyond our control. We shall endeavour to serve our readers more punctually during the coming year. But we hope our readers will make due allowance to the new difficulties created by war economy, particularly in regard to the timely and adequate supply of the required quality and quantity of paper for printing the Review and extend their indulgence to us. We desire to acknowledge with grateful thanks that in the year that has just expired we received an increasing measure of support and patronage from the reading public and the distinguished contributors to our pages. We hope and trust that similar support and patronage will be forthcoming even in much larger measure in the next year.

INTERNATIONAL CO-OPERATIVE DAY—INDIA'S POST-WAR STATUS

The 20th International Co-operative Day, according to the convention adopted in India, was celebrated on the 7th (first Saturday) of November 1942. We have received reports of the celebrations from various Provinces and States. As due publicity was given to them in the regional co-operative journals and the press and in view of the need to economise space, we have not tried to compile a co-operative chronicle of the meetings from those reports. Accounts of the celebrations of the day in several other countries in Europe and Asia have also appeared in the International Co-operative Press. In addition to the resolution sent out by the International Co-operative Alliance an inspiring message by Mr. R. A. Palmer, Vice President of the Alliance, was

also read at the celebrations both in India and abroad. The proceedings of the meetings naturally reflected the gravity of the present world situation. The threat to democracy that has overtaken the world by the Nazi and the Fascist aggression was taken by co-operators all over the world as a challenge to co-operation as well and the necessity to rescue co-operation from such a threat was taken to be an integral part of the resolve of the free countries to defend democracy—not democracy which has been the hand-maid of a capitalistic system, but a genuine type of democracy based on real ideals of human freedom and social justice. Therefore while every freedom loving country voted for “a complete suppression of the Fascist and the Nazi regimes and the autocratic Statism which they represent”, reiterated at the same time its faith, with increased vigour, in the co-operative movement as an aid to build up a lasting peace both nationally and internationally. Mr. Palmer who gave a strong lead in the matter said: “The time has come for us, co-operators, to refuse to compromise our co-operative principles in any way whatsoever, but to make known our pride in them and urge the practice of Co-operation in every economic enterprise, be it of a national or an International character.”

A persual of the resolutions passed on the occasion in the several countries, however, discloses the fact that while the International character of the movement was stressed by all, issues which were peculiarly national and policies dictated by internal economy were not overlooked. For instance, the celebrations in Switzerland were “characterised by the emphasis laid on the country’s self-sufficiency effort and, more particularly, the drive to expand the cultivation of land in which the solidarity of the whole nation expresses itself in direct action.” A marked difference is also noticeable in the sentiments expressed on the occasion by co-operators in countries enjoying self-government from those living in countries which are still struggling for a full expression of nationhood. The resolution passed by the co-operators of Szechuan (China) is significant more for what it implies than what it says. In the concluding sentence of the resolution the Chinese co-operators say: “This new world must be different from the one we know. It will be a world of co-operation in which the lofty ideas of democracy, equality, freedom, social and economic justice, mutual help, universal peace and world fraternity prevail. There will be no room for isolation, no room for selfish policies, for unneighbourly policies. There will be but one village street from Edinburgh to Chungking.” In these words the co-operators of war torn China pour out their hearts in regard to the political and economic treatment which was meted out till now to the great Chinese nation.

India which is really a part of the British Colonial Empire has her own peculiar problems in common with countries similarly situated and to whom political and economic freedom is still an object of future goal. Dr. J. P. Warbasse in a notable contribution to the pages of the *Review of International Co-operation* on Co-operative World Organisation After the War, puts the problem of countries like India in very apt and significant language. He says "Among the exploited colonial peoples, the co-operative method changes the nature and the results of their efforts. Instead of exploitation in the interest of others, they labour in their own interest to produce for themselves, and to use the resources of the lands upon which they work for the elevation of their own standard of living and culture. Co-operation does not make for imperialism." Hopes have been held out that the eight point declaration known as the Atlantic Charter is a programme addressed to all nations and that it includes India in its scope and that India along with self-governing countries will enter the new world order based upon freedom, equity and co-operation. But while, fortunately to the gratification of all those who desire to see peace and freedom established once more on earth, signs of a decisive victory for the United Nations are becoming unmistakably clear, the prospects of their winning the peace after victory in order to implement the aim of building human freedom on broader, firmer and non-imperialistic foundations, are becoming dim and befogged.

India has no doubt an indisputable claim for her rightful place among the free nations on earth in the new world order and is also determined to become free and play her proper role in the future world economy. But India like other countries which are determined to achieve their freedom must realise that the effects of the war on her national life will not leave her antiquated economic dogmas and standards unaffected. The post-war years will by no means be easy or comfortable time for her and she will have to make many readjustments in her social and economic structure. An intensive drive for removal of social disabilities which now impede her advance and for self-sufficiency should be important parts of the programme of her post-war reconstruction. She is peculiarly fortunate in the variety of her natural resources, almost unlimited opportunities for work for her people and splendid prospects of economic development to successfully tackle the task of making her self-sufficient *provided she becomes self-governing and possesses a national Government*. India's drive for self-sufficiency will not be in conflict with the international ideals of the movement any more than the similar programme of the Swiss co-operators for their country. If she sets about the task in the right spirit and pursues unflinchingly the principles and practice of co-operation, she can achieve

much. Let us not be under any illusion that a political or economic miracle waits round the corner at the termination of the war successfully to the United Nations. Old world separatisms, with all that they stood for, will try to persist and it is futile to expect a spontaneous world revolution in which a wave of universal brotherhood will sweep away those separatisms. India must work out her own political and economic emancipation, on her own lines. We are gratified to find that in this endeavour the international co-operators in general and the British co-operators in particular are solidly behind her and are prepared to help her to solve the issues of peace, order, freedom, social welfare and collective security as a member of a great co-operative commonwealth.

SOCIAL INSURANCE AND CO-OPERATORS

The text of Sir William Beveridge's report on Social Insurance and allied services which is published as a White Paper and placed before the British Parliament has not yet reached India. It has evoked wide interest both in Britain and America. Press summaries of the plan have also been published here and give us some idea of the scheme. The scheme aims at guaranteeing "freedom from want" to every man, woman and child in Britain. While the scheme assures the social security as of right and not charity, it is based on conditions of service and contributions. The plan ensures a basic minimum income to everyone in need, irrespective of the cause of the need, with adequate benefits for unemployment, sickness, accident, disability or retirement. The assurance of a national minimum income does not however contemplate conditions resulting in stifling individual incentive to earn more than the minimum social security. Some idea of the magnitude of the benefits of the new scheme can be gathered from the actual proposals to increase the weekly payments to the unemployed and disabled people. For instance, a man with wife and two children will get 56sh. weekly compared with the existing rate of 38sh. for unemployment and only 18sh. for disability. Similar increases are proposed in the children's allowances, retirement pensions and the like. It is claimed that the attack is sought to be made not only on want but on disease, squalor and idleness. The scheme is essentially the outcome of a new world outlook which recognises that abolition of want is a practical post-war aim and that planning for peace will assist the war effort. Sir W. Beveridge gives his reasons for the view that a plan for social security must be prepared during the war.

The question remains whether the State should be allowed to cover the entire field of social insurance or whether there should be any scope

for co-operative and other kinds of private enterprises. No doubt there is bound to be some amount of opposition from certain vested interests to the scheme. It is however gratifying to note that the Co-operative Insurance Society of Great Britain at Manchester, which is the biggest co-operative enterprise in the field of insurance, has expressed its general agreement with the fundamentals of the scheme. That ought to set an example for co-operative and mutual insurance concerns working in various countries. In India unfortunately the anti-social principle of "struggle for existence and survival of the fittest" with its distressing corollary that the misfortune of the unemployed is the personal concern of the unemployed and that he is himself to blame for not being able to find a job still holds the field. The Government and the public in India have still to give practical proof of their conversion to the more humane and reasonable view held all over the civilised world that unemployment is not an *individual* problem but a *social* one and that it is the duty of the State to give unemployment relief to those who are willing and able to work but unable to secure it. The Government of India in 1920, in connection with the consideration of the recommendations of the first session of the International Labour Conference held in 1919 at Washington, expressed their emphatic opinion that no system of unemployment insurance was practicable in India at that time. The question again came under investigation by the Royal Commission on Labour in India and the Commission reached the same conclusion as the Government of India did. The lapse of two decades does not seem to have brought about any tangible change in their attitude.

Sir William Beveridge gives us some idea of the cost of the scheme to Britain. He puts it at £697 millions in 1943, rising to £858 millions in 1965. His proposals for building up the social insurance fund are based upon adequate contributions being made by the State, the employer and the employed. The State can only find its quota of contribution by substantially raising the burden of taxation on the rich, particularly the income tax, and the State alone can enforce on the employers and the employees a legal obligation to make the contributions. So a scheme of social security of this nature is obviously possible only if the State steps in. Co-operators while opposed to State interference not only with the organisation and management of the structure of production and distribution but other spheres of national business activities as well, however, concede that in certain cases the responsibility of the State in order to promote the vital interests of the public at large must be allowed to override the claim of co-operative organisations. Social security schemes on a nation-wide basis clearly fall, in our opinion, under this exception. The contemplated scheme is in effect a programme

of a new order of general social security and is founded on fundamental principles of co-operation. We reserve a detailed examination of Sir W. Beveridge's scheme for a future occasion, when the full text of the report is available to us. In the meantime we urge on co-operators in India not only to interest themselves but also to popularise schemes of social security as the success of co-operative enterprise ultimately depends upon the rising of the standard of living and outlook on life of the people who wish to organise themselves on a co-operative basis and the promotion of a sense of self reliance and a spirit of mutual aid among them.

EMPLOYEES IN CO-OPERATIVE INSTITUTIONS

The question of ensuring the employees in co-operative institutions greater security of tenure and reasonable conditions of service, in regard to pay, promotion and prospects, has been much to the forefront for the last few years. The Madras Committee on Co-operation received a deputation of the representatives of the non-official co-operative employees' association and after a careful examination of the proposals put forward by them formulated certain recommendations bearing on the subject. The Registrar of Co-operative Societies, Madras, has recently framed two special sets of by-laws relating to service conditions of employees of central banks and of societies other than central banks. These by-laws prescribe *inter alia* 1. qualifications for eligibility to appointment to several grades of posts in the central banks and societies, 2. the kinds of leave to which the employees are eligible, 3. nature of the disciplinary action that may be taken against the employees and the authority competent to take such action and 4. conditions relating to the institution of employees' provident fund and the grant of gratuity. For the present the Registrar is content to recommend to the co-operative institutions concerned the desirability of adopting these proposals and incorporating them in their by-laws. He has not recommended to the Government the enactment of statutory rules to enforce these proposals. The Madras Committee on Co-operation suggested the framing of statutory rules to give effect to their recommendations and to enforce them in the first instance in all central banks and limited liability societies (including urban banks and land mortgage banks) whose loan transactions amount to Rs. 25,000 and above. Our contemporary, the *Madras Journal of Co-operation*, endorses this view and urges that "some method must be found by rule under the Act to make it obligatory on the part of at least certain classes of co-operative institutions to embody these by-laws,"

When the subject came up for discussion at the joint meeting of the Standing Committees of the two All-India Associations held at Bombay on the 18th and 19th January 1941, the opinion among a majority of the delegates present was against inviting any direct intervention on the part of the Provincial and State Governments in the matter of regulation of the conditions of services in co-operative institutions. It was generally felt that the primary responsibility of placing the non-official services on a more satisfactory footing rested primarily with the Provincial Co-operative Banks, Institutes and other Federal Institutions. At the same time it was also felt that when necessary the assistance of the Provincial and State Governments concerned in this behalf might be sought. After a very lively discussion the following resolution was adopted by the meeting:

"This meeting urges on the Provincial Co-operative Banks, Institutes and other Federal Institutions, with the assistance, where necessary, of Provincial and State Governments concerned, the necessity of placing non-official services in co-operative institutions on a more satisfactory footing than at present by ensuring for employees security of tenure and reasonable conditions of service in regard to pay, promotion and prospects and with a view to achieve these aims this meeting suggests the following measures :

(a) Minimum educational and technical qualifications required of employees in different classes of societies and grades of employees should be prescribed.

(b) Rules should be made to fix the scales of pay of different grades of employees and to regulate the procedure for promotion from one grade to another.

(c) Provincial banks, central banks and larger urban banks should as far as their financial resources permit institute schemes of contributory provident fund for their employees.

(d) Provision should be made for the grant of casual, privilege and medical leave.

(e) Procedure should be laid down in regard to taking disciplinary action somewhat on the lines of the procedure laid down in respect of Government servants.

(f) An up-to-date record of services and conduct sheets of every employee should be maintained as in the case of Government servants."

The subject figured prominently on the agenda paper of the 29th Session of the Mysore Provincial Co-operative Conference, proceedings of which are published elsewhere. We drew special attention to the

importance of the subject in our Presidential address to the Conference and suggested at the same time that the Apex and central co-operative organisations should take the initiative in the matter in the first instance before the Government is approached to intervene with their legislative or rule making power. The subject was however not dealt with by the Conference but referred to the Mysore Co-operative Institute for ascertaining co-operative opinion on the various details of the scheme and to report to the next Conference.

We are on the whole in agreement with the course of action adopted by the Madras Registrar in throwing the responsibility in the first instance on the co-operative institutions concerned in regard to incorporating conditions of service suggested by him in their own by-laws. The question of Government interference will arise only in case the managements of the co-operative institutions themselves are unwilling to place their services on a more satisfactory footing. Enlightened self-interest alone, apart from other considerations on the part of the managements of the co-operative institutions, should dictate to them the need to make their services efficient and contented and it is impossible to achieve this end without placing those services on a more stable basis in regard to pay, prospect, promotion, and other conditions of employment. A satisfactory solution of this problem is long overdue. The efforts of the Departments of Co-operation to improve the working of the co-operative institutions controlled and guided by them will also largely depend upon the efficiency of the services in the institutions themselves for no amount of external control can improve their internal working. Viewed from every standpoint the need to tackle this question immediately and effectively is unquestionable. We therefore hope it will engage the attention of non-official co-operative organisations all over India without further delay.

INDUSTRIAL CO-OPERATIVES IN CHINA

By

J. HENRY CARPENTER,

*Chairman, American Committee, China Industrial Co-operatives**

China is one of the most strategically important nations in Asia and in the future world order. This is unquestionably recognized by Government officials and the people of America. The similarity of ideals and purposes between China and America has led to the feeling of close friendship which is manifest during these years of supreme struggle and which, we are all assured, will continue after the peace has been consummated.

China's importance is in direct relation to its almost unlimited resources of natural wealth and man power and its potential industrial and trade expansion. But it is more. China is destined to be that nation which has the responsibility of leading Asia and in turn, because of its strength and economic value, must take its rightful place as a great world power. After the war Japan will undoubtedly be economically and militarily impotent. India, as great as she is, and as sure of inevitable independence as she may be, has yet to gain that independence and to develop a stable Government. There is no nation, but China, to assume the most exacting task of positive yet liberal and democratic leadership in building the future Asia.

To do this China must make vast and immediate strides towards its own potential greatness and freedom. It is axiomatic, however, that no nation can be great unless its people are great. No state can be free unless its people are free. To realize both basic greatness and freedom the people must not only be politically and religiously free, they must also be economically free. People must have security, they must have remunerative labour, they must have the sense of ownership and direction of their own enterprises, they must have release for their own ability, ingeniousness and desire to work. That nation which can find the way

*Report and Comments of Dr. J. Henry Carpenter on inspection of Chinese Industrial Co-operatives, Sept. 23 to Nov. 19, 1942 to Dr. H. H. Kung, President C. I. C.

to rule with the minimum of force, bureaucracy and espionage, to aid the people in finding their own security without undue pressure from official centers and over burdensome taxes, yes, to really build upon the very foundation of a truly free people, will be the greatest nation of our future world. Because China has its industrial expansion still in the future, because China has gained its rightful release from extra-territoriality and future unfair advantage by other nations, because China has a sense of unity and high purpose, because in China there is developing a "new life"—China may become this great and strong nation. The very principles of Dr. Sun Yat-sen, which have become the rallying point for these rapidly changing national attitudes, are the very principles upon which the new China must and should be built.

The Northwest.—In the trip I was privileged to take to the Northwest, I was profoundly impressed by the possibilities of industrial expansion there and the trends towards a recognition of its future importance which was so clearly recognized by Generalissimo Chiang Kai-shek in one of his recent farsighted statements. In the Northwest, cities were demolishing their walls and gates which had protected them, yet contained them for so many years. Stores and houses were being torn asunder as streets were widened and new modern buildings were erected. I had the thrill of looking into the upturned faces of ten thousand of China's best youth as they were gathered in the central courtyard on the Double Tenth in Lanchow. It was an honor to address them briefly and to bring them the greetings of American youth. I met and talked to many other groups of school children of industrial and military training corps. They were the future China.

It was an honor to talk with governors, military leaders, party officials, then magistrates, bankers, businessmen, and to realize the awareness of and conception they had of future national and world movements. While prosecuting the war effort they were at the same time leading in progressive thinking and action and making careful plans for future projects of reconstruction and expansion. With one accord they welcomed me with almost undue respect and made my stay with them one of comfort and pleasurable experiences.

The rolling hills, the towering mountains, the flowing rivers, the terraced farm lands gave new impressions each moment as we wound our way by truck for 1,500 miles over mountain passes, down tortuous gorges or through verdant valleys. What wealth of water power for manufacturing and electrical energy there was! These very mountains held treasures of iron, copper, coal, oil, silica, sulphur, limestone, nitrates and many other minerals. Thus industrial opportunity was almost unlimited.

The people were ever-persevering and toiling. The men of the road, carrying heavy loads on their backs, pushing their barrows, pulling their carts, driving their mules or camels along the highways were strong and determined as they passed us in unending streams. The farmer, *ploughing* with his patient ox, harvesting his crop, planting his seed, was everywhere apparent. Youth and age worked in factory or mill. The people thronged the cities and villages on market day or a holiday. Yes, the people as well as the resources are there.

Of course, one saw the poor starving refugees, the dying and the dead, the sweat and the exhaustion, the disease and the poverty. But, as realistic as these problems were, they were overshadowed by the results the people obtained and the sense of direction manifest.

The Co-operators and their leaders.—It was most revealing to see the co-operatives in action, to note the remarkable production achieved, often under most adverse circumstances, to discuss problems and developments with groups of thinking, experienced co-operative leaders in many fields of endeavour, and to find a growing movement of the people towards a more sound security and basic democracy. If China desires a staunch bulwark against extreme ideas of either the right or the left, a happy, employed, secure and democratically minded people are the best first line of defence. It will be stronger than the ancient Great Wall of China to keep back the hordes from the North.

The experience of meeting Lu Kwang Mien, the Northwest Director, who is such an efficient and deeply Christian leader of the co-operatives, was a real inspiration. To meet Rewi Alley, to see him advising and saving people there, pushing production over almost unsurmountable obstacles there, and to realize some measure of his devotion to and knowledge of China, was again a high privilege. I walked over hills, along railroad tracks, through narrow streets and openfields with these men. I rode on trucks with them and talked for hours as we sat squeezed together on the front seat. I was able to hear their stories of deep conviction and purpose, of their actual inmost experiences and utterly unselfish life they lived. Yes, I caught a slight glimpse of the depth and breadth of their very soul aspirations.

The people had caught some of this spirit also and thronged around them for advice and counsel. Kwang Mien was getting up at 5 a.m. to keep early appointments, or fighting for the rights of some unfairly accused associate. A young boy was brought to Rewi, sick and covered with the great running sores of scabies. With his own hands he washed the infections with antiseptic solution and covered thereon with sulphur

ointment. He then took the boy with him to the Bilie School. I saw the lad a few days later. He was much improved, had a smile on his face, with his pluck and determination coupled with the technical education he will receive, another boy will be saved from disease and death. Another man will eventually be sent out to work for the new China.

It will be impossible here to give the names and the stories of other depot masters and their associates, of woman leaders and the spread of their influence, related to not only the spinning or weaving, but also back into the homes and the education of the children, of the Friends' Ambulance Unit young men who are giving their services so generously and wholeheartedly, of the college professors and chemists who are putting their services at the disposal of the institute and significant experimental enterprises; all of this added up and multiplied by the reality of achievement can only give a picture of the sum total contribution of those men who are leading in the Northwest.

The Co-operatives.—May I give you just a few impressions to indicate a brief picture of what I saw.

1. *Machine Shops.*—Here were expert engineers, refugees from the coast cities and trained in college, with years of industrial experience. Out of almost nothing they were making machines and tools to continue the output of co-operative or other production in the Northwest. Here was one making ten charcoal burners for the Bank of Communications. The materials came from old automobile fenders and sides, from scraps pipe, from white iron castings made in their own moulding and smelting rooms. The power to turn the lathes and planers was supplied by an old Studebaker engine and a charcoal burner for fuel, which was made in their own shop. In another, a superior water wheel was giving the power and electricity to surrounding buildings at night. They were making these water wheels for mill and factory around the community. They had poured a ten-ton casting for a new lathe to help production. Again, another shop was making looms. The principal material was hardwood. An interned German who could speak neither Chinese or English, and who was released for this service by the local magistrate, was busily planing and fashioning the wood stays and arms. The white iron rough cast wheels could not be tooled into gear. Thus the old brass cash, which was available in quantity and really cheaper than iron, was smelted down and carefully fashioned into gears and equipment for the "Iron looms". They were making spinning wheels, had developed a new and 20 to 30 percent more efficient twisting machine, that eliminated steel spindle which they could not get. They were producing carding machines with a very good substitute for the card clothing which was also unavailable.

Thus they were adapting and building small machines and large with scrap and pieces carefully salvaged and also with ingenuity and skill finding substitutes for the materials and parts they could not secure or make.

2. *The blanket program.*—There were large plants covering acres of ground, using 300 workers and a thousand or more women spinning in the homes. There were small weaving or spinning co-operatives which were just beginning and yet were producing. We walked six kilos from one city to caves in the side of the hill where Honan refugees were living. Here we inspected a co-operative started two years ago by eight refugees and a three thousand dollar loan. To-day they are feeding 100 mouths and have a net worth of \$229,000. The old uncouth caves now are white-washed, have a wood front and are very neat and clean. There are six buildings on the compound erected largely by the men themselves. All are painted attractively and kept in order by the constant vigilance of all members. The workers wear neat uniforms made from cloth they have woven themselves. They have a playground and basket ball court; inter-group contests between the six co-operatives in the area are held. Together they have a primary school for their children. Thus these refugees, once starving and homeless, are now fed and living decently and are producing for China's great resistance.

Go with me again to an old temple. The kindly Taoist priest pointed out to us that old engraved stones which put its restoration back 800 years and its history as a place of worship a thousand or more before that. There were magnificent cedars, some 500 years or more old, towering over the buildings. Here at Chang-Sho-Sz (Long Life Temple) were 30 crippled soldiers. One had an arm off, another an eye shot out, a third on crutches. But all were joined in a weaving co-operative. Five men had been sufficiently recuperated to go back to the regular service. They had a send-off party, and by unanimous vote presented each soldier with \$ 2,000.00, a total of \$ 10,000.00; which was their fair share of the profits. The Chairman walked into headquarters one day with \$ 12,000.00 of their capital loan. They had voted to pay back this much. "So that some other wounded soldier group could have the benefit of work and the joy of production, we are experiencing." Their net worth is \$ 60,000.00 and they are producing \$ 90,000.00 worth of army cloth a month.

Then we proceeded over to another village. They call it "Garden City". Here is a spinning and weaving co-operative made up of 47 girls, former warphans and those enlisted and in training for the women's army corps, all so splendidly run under the untiring efforts of Madame Chiang,

One of these girls at twelve was found wandering half naked, diseased and bewildered, not knowing her name nor her parents, feeling from poverty and war. She was taken in. Her breakdown system was given new life. Now, 15 years old, her face rounded out, her eyes clear, her hair grown in again, her mind educated, her hands and feet trained, she is an expert weaver and was chosen the leader of her group. These girls have two meals a day. They study, work and exercise by intervals. They make all the cloth for the uniforms of the Paochi School children. To see their bright intelligent faces, their strength and vigour of body, their discipline and yet their freedom, is again to see new China in the making.

The caves, the temples, the congested city dwelling, the country compound, all house these weaving and spinning and tailoring co-ops. Youths from 12 or 13 to matrons with suckling babes and old men and women to 78 are striving and working to make China's necessary consumer goods for both to-day and to-morrow.

3. *Leather and Shoe Co-operatives.*—Next go to the Mohammedan fur leather and shoe making co-operatives. Here were \$ 50,000.00 worth of beautiful skins. How carefully they were being cured and then washed and made velvety smooth by expert combing and rubbing! Goats and fur pieces were being produced, fit for the most fastidious, and warm enough to keep out any winter blasts.

From other inferior skins they were tanning leather, brown, black, white, some soft and pliable, and other tough and strong, for shoe, belt or saddle. "Broadway shoes" were being produced, all formed and sewn by hand. An attractive and long wearing product, sold for \$ 280.00 a pair. The saddles for the horses of army officers and "Sam Brown" belts or high boots, were part of the production of these expert workmen. In the Northwest Mohammedan, Buddhist, Taoist and Christians are working in close co-operative fellowship.

Much more could be written of blacksmith shops, pen making factories, umbrella manufactories, native drug stores, bone button and chop making, centers of iron and gold mining, of marketing and consumers stores, all run co-operatively and part of this widespread Northwest Movement. I have over 150 pages of personal notes and over 500 typewritten pages of reports from different centers and institutions. These latter are now being misrefilmed for transmission to America and I am asking that through Geogre Fitch the originals be turned over to you. These, with my brief remarks, will help to increase your picture of this Northwest and other China development I have been able to see and receive reports from.

Co-operative Federations in the Northwest.—In the larger centers and areas the co-operatives have come together in a Federation. They have a central building or use a section of the depot offices for their activities. Three significant projects have come out of this united effort which I wish to mention in detail.

a. Medical and Clinical Aid.—In three large centers, Paochi, Lanchow and Shwangshihpu, there are clinics with highly trained Chinese physicians in charge. Each has a staff of nurses and dispensary workers. In these localities hundreds of co-operators have been examined and given medical aid and advice by these doctors. All co-operative members are treated free of charge, the financing coming from the social welfare funds of the joint Federation. An example of the problem and service may be given by the figures of the Lanchow Clinic. The table is the result of 474 members examined.

		Persons.	Per cent
Tooth trouble	..	233	56
Trachoma	..	200	49
Disease of Penis	..	125	30
Other eye trouble	..	118	28
Skin infections	..	45	11
Tonsils	..	25	6
Respiratory	..	18	4
Miscellaneous	..	28	12
Perfect	..	57	14

In the month of September they had 92 member patients.

In Paochi the co-operatives have put up the first Federation Hospital in the Northwest. In fact it is the only unit serving the 70,000 inhabitants of the town, and it has only 20 beds. It is built at the base of a beautiful terraced mountain slope, and before it runs a sparkling clear mountain stream. Being out of the city it is very safe from air raids (many co-operators have been killed or wounded in Paochi by air raids) and is in a most healthful spot. There is an attendant doctor, four nurses, a pharmacist and other necessary workers there. The staff surgeon is the doctor in charge of the co-operative medicine in the area. The whole place is most neat and clean. I slept in one of the rooms over night and would be almost happy to be sick there.

Thus this whole medical service and the continued inspection of co-operative sanitary conditions is most unique and effective. It is being spread to outlying villages and other centers as fast as money is avail-

Table. All large co-operatives and centers have emergency equipment and medicines. I saw one in a cave, another in a temple and others in a corner of the chairman's office. This whole development is one of the most necessary and valuable results of Federation and the joint co-operative effort in the Northwest.

b. *Co-operative Treasuries.*—Again located in the larger cities combined Co-operative Treasuries in spacious buildings have been undertaken. Here the total capital of all the co-operatives is pooled to form a joint fund for marketing and supply business and for exchange of trade or cash between the various co-operative centers. Thus they can buy wool one week or cotton yarn the next. Each local co-operative gets the advantage of group buying and selling and yet always has its balances to draw on. The treasury finances the consumer marketing and supply stores as well as wholesale selling and buying. Pay rolls and other needed cash is secured by proper drafts on these treasuries and deposits made accordingly.

A feature to be carefully noted here is that formerly this money was all handled by individual co-operatives. The official banks saw little of it. Now all of these concerted funds are continually flowing through the banks and are making larger banking transactions. As this develops, banking interests will have correspondingly increased business. The very savings and increase in valuation and capital of these co-operatives increase the national wealth and security of the nation. It must be also recognized, also, that this comes from refugees and formerly poverty stricken people who now have sustenance, security and growing gross wealth which can never become competitive wealth, for it is spread among the total membership of the co-operatives. Thus these co-operative treasuries are a most important aspect of the people's movement through the co-operatives and a basic asset in building an economically free China.

c. *Education and Primary Schools.*—Under the Federations of the Northwest there has been undertaken by the Women's branch of the Federation a very valuable program of primary education. These schools are located in Lanchow, Shwangshihpu and in five centers in and around Paochi. Here children are being taught the regular primary studies by competent teachers paid by the Federation. They are also being well versed in the "Three Principles of Dr. Sun Yat-Sen" and sing lustily the party and national songs. They are also being grounded in democratic, co-operative principles. Each school has its own little co-operative organisation, which buys and sells all school supplies, cakes and sweets and other incidentals to the children who are all members and elect their own officers. The older children do

part time apprentice work in nearby co-operatives. Playgrounds are a part of school equipment and games and plays are given at intervals by the children themselves. I witnessed a number of these plays in Shwangshihpu. They were largely centered on the war and anti-Japanese feeling, but ended in a note of triumph and brotherhood. Some are purely co-operative plays. They were all very well done. Thus the co-operators' children are all being given primary education and being taught useful trades at no expense to the state, but at the same time, are recognizing the state educational standards.

Recommendations and Suggestions.—From the above brief report and from my many happy and pleasant contacts in China, I would like to make some specific recommendations and suggestions:

1. *Capital.*—

Everywhere I saw the need, and was asked to do what I could to secure more capital for the co-ops. It has been surprising what they have done to save their own money and to build up reserves. Yet, the rise in prices and the decreased buying power of money has led to serious consequences in many local centers. When China needs so much production I saw 22 looms in one place with only 8 working, or 18 in another with only 10 working. Here were machines and people skilled in running them all idle, because capital was not available. Many places had to weave cloth, use up their stocks of raw material and then wait until they could sell to get the cash to buy more to start the machines again. Machine shops were held up on large orders because they could not pay at all or pay the prices demanded in the rising market. Thus production in many ways was being held up while people were without work.

This does not seem to me unsurmountable. The resources of the new government loan soon to be made available, the growing funds from England and America, with the best judgment and leadership of the Board of Directors and the Central Headquarters should readily solve this problem or materially allay it. Thus it is brought to your attention by way of comment and for earliest consistent action.

2. *A People's Movement.*—If ever the principle of Dr. Sun Yat-Sen that the industry and government of a nation should be based democratically upon the people, has been worked out in China, it is in these co-operatives of the Northwest. In fact, this is most noticeable in all sections I have visited. At the same time there has been a growing concern over arrests, interferences by certain unfriendly officials, or

those who want to use the movement for their own ends, and also the centralization of appointments and the type of men appointed. In my humble opinion, it is a most serious condition to thus hinder in any way this growing, sound, democratic movement. There are certain practices in "big business" and officialdom which are absolutely detrimental and soul-killing when applied to co-operatives.

There is, of course, a very important place that Government can take. The Chinese Government has already done much along the lines of capital advances, general promotion, expert guidance and has been a market for produced goods. This is so under C.I.C. and under the Credit Union and consumer development in charge of the Department of Social Affairs. This is most laudable and commendatory. It should continue and increase until there is such a strength in the co-operatives themselves that they can care for their own affairs under proper Government controls. Already in production, in banking, in people fed and given work, to say nothing of actual taxes of every kind paid, they have given Government large and increasing returns. All this must continue in the co-operative spirit and with co-operators who have come up "from the ranks" or the leaders. We give business men charge of business, bankers charge of banking, army men charge of armies, diplomats charge of foreign affairs. So we must give real tried co-operators charge of co-operative development. Only thus can the movement be left free and the returns continue. Under bureaucratic and dogmatic methods whether centrally in the regions or in the local co-operatives, the wells of energy will dry up and thus that basic co-operative essential will be lost.

To keep his freedom untrammelled, and to find the proper balance between centralization and decentralization, is the biggest task in the Industrial Co-operatives and the whole Co-operative Movement in China to-day. It will mean unimagined blessings for future China, while its loss will mean irreparable damage. Dr. Kung is and must continue to be the staunch leader in this matter of such great potential value. There are hundreds, yes, thousands, who will get along with Dr. Kung. May the "Peoples" principle be preserved.

3. *Industrialization.*—China must achieve after the war an unprecedented development of industry and world trade. This must be done so quickly that months and not years are taken as the time measure. To my mind there is no better way to secure such an immediate, quick development than through the spread of industrial co-operatives. Some big business, massive steel mills and the like, must of course be part of China's new economy. But, let us hope, China does not follow

all the faults of industrial development in other countries with the consequent slums and poverty of congested areas and the resulting vulnerability to air attack or enemy envelopment. The spread of industry has been the basis of Russian resistance. The United States and Britain are feverishly moving industry inland or to sources of supply, while they are trying desperately to solve the problem of slums, poverty and unemployment. To counter all this, the co-operatives offer an opportunity for smaller basic concerns, for spread of industrialization and for quick concentration near natural supplies of raw material. Cotton cloth should be woven where cotton is grown. So for silk and wool. Steel should be made where coal, iron and alloys are closely available as in the Northwest. Water-power electric energy should be used at its source. Here the co-operative because of their adjustability and their use of peoples where they are should and will, I am sure, offer great potential possibilities for the fastest possible completion of China's industrial ascendancy.

4. *Education.*—As the report indicates and as we all know, education is an important factor in any ongoing process. In the co-operatives it has an added significance, for new persons are just born co-operators. They must be educated to be co-operators. This is not merely technical skill. It is the total co-operative spirit and outlook they must have. Thus the three agencies, the Institute, Bilie Schools and the training courses loom large in the co-operative picture. These services should be increased under proper relationships and controls, so that they can function freely and with highest educational standards and yet be entirely integrated into the total organization of C.I.C. Here again education and training experts should be in charge. They should be appointed by the Board of Directors and thus have the closest relationship to the whole movement and yet must be free from the problems and constraints of organizational machinery. I am confident that here also the Board of Directors of C.I.C. and the International Committee can come together in mutual agreement and set up the instrument to carry on this vital and essential part of the co-operative movement.

5. It has been disquieting to me and an unexpected problem to find the misunderstandings resulting from the use of American funds in China. The principal burden of my thinking and energy since coming here is to try to absolve this difference. There is no question, but that some accusations are true on both sides, though I venture to say that few, if any, of them were done in any spirit of forthright antagonism. It was rather the conscientious devotion to a growing cause and the al-

most blind determination to get things done that has led to lack of consideration, and clearness. This should and must be straightened out. The exchange of ideas on this matter has already cleared the air somewhat. Some are still suspicious and they have ample grounds for their feelings. Time, however, and the spirit of co-operation, are great healers. I am taking the various reports and ideas back to America for presentation to the leaders there. When Bishop Hall arrives here, I anticipate we may have our reactions in his and your hands and that he, with the many other individuals who are all so broadminded and sincere, can together work out a final solution.

There are two principles which must be kept inviolate in this matter.

a. China is a nation which has justly and rightly gained her freedom. This whole movement must be run in China's way and not American way or England's way or any former patronizing way. This world can only hold together on the basis of the recognition of national and racial rights.

b. There is just as great necessity, however, that there should be mutual respect and friendly relationships between all nations. No one nation can absolutely dominate or demand.

Thus if China is to receive funds from America and elsewhere for no matter what purpose, great industrial enterprises, vast relief needs, large educational funds and surely co-operative funds must be received and distributed without friction, but with the full right to designate projects to which contributions are to be made. No one in business, in Government or in personal or group gifts is going to write out a blank cheque and send it over here or anywhere else. The most careful budgeting and presentation of projects for submission to boards or agencies is absolutely essential. This is not lack of trust. In my long association with money raising, there is no other way to develop original interest and to thus secure large funds or grants.

I am confident this mutually friendly relationship can be worked out between those who desire to aid the Chinese Co-operative Development and the leaders of the C.I.C. here.

6. There is an internal aspect of the total movement I also wish to mention. It is that there would be great added strength and force of concentrated effort if all the co-operative interest and promotion agencies in China could work in closest mutual agreement. The lack of this agreement in America and other countries has been most detrimental. Where there is total unity, the movement is thereby magnified and friction negligible. I am glad to say I have found little or no friction

and a growing sense of understanding between the various groups here. I sincerely hope this may be increased in the future, so that credit, agriculture, consumers, marketing, producers, industrial and all co-operatives can work in unity, though keeping their separate identity as long as interest and best judgment demand it.

Finally, what a privilege and honor it has been to be in China in these distraught days, to see your perseverance, determination and your building for the future. My reception has been over-generous everywhere. I only hope to be able to repay partly in my time and energy put into interpreting and aiding the China cause in America. I leave with deep regret at not being able to stay longer in China, but I must admit there are three strong pulls on my heartstrings and a job where I earn my bread and butter instantly calling me. I leave feeling more than ever that co-operation is a movement of world-wide significance and of greatest potentiality not only now in winning the conflict, but in the future peace.

SUGGESTIONS FOR EXPERTS WHO COULD BE USED IN ASSISTING
THE CHINESE INDUSTRIAL CO-OPERATIVES MOVEMENT
IN THE FIELD

1. **Paper.**—There is the need for an expert in paper in the field. A great demand in the Southeast for better paper and for improvements in process in several headquarters. Engineer Lang Wong at present with the Institute might be made available to work on this problem with the expert sent, thus assisting with his practical knowledge of the field.

2. **Iron.**—There is the need for an expert in the smelting of grey iron both in the Southeast and hoping and also in the Northwest at Shwangshihpu, Hweih-sien and Lanchow. It would be helpful to have two such experts brought from America for a term of two years to assist in this work.

3. **Paochi Industrial Experimental Farm.**—The experimental farm at Paochi is in need of an expert who would assist in the work of production of sugar from sugar beet, of teasles for the woollen textile program, for the distillation of wood and for the growing of other raw materials as needed by co-operatives in the Northwest. The American Committee may well be able to recommend the person who would be available to assist in such work.

4. **Textiles.**—There is need for a textile machinery engineer for experimental work being carried out in Chengtu, in Shwangshihpu and Paochi for both cotton and woollen small unit machinery. The immediate work of copying the small unit Indian spinning set and improving on its design could be a first charge on his time.

These men could be sent through Lend-Lease, U.S.A., with the approval and written request of Dr. H. H. Kung, the President of C.I.C. These experts could be part of the special field staff as recommended in both the Industrial Co-operatives and the International Committee memorandum,

CO-OPERATION AND POST-WAR ECONOMIC RECONSTRUCTION *

By

THE HON'BLE V. RAMADAS PANTULU

The questions that are uppermost in our minds to-day, in regard to the state of our industry, trade and commerce, are how to utilise, to the best advantage of the country, the existing machinery for production and distribution and how to reorganise, or plan for the future, the structure of production and distribution in the process of post-war reconstruction of our rural and urban economy. Problems connected with the manufacture, exchange and consumption of goods and commodities, which vitally affect the life of mankind, are among those which have so far baffled an effective and just solution in every country. Conditions created by the last and the present world wars have vastly complicated these problems. Every one is, however, agreed on one thing namely, that it is impossible to maintain the old economic national structure and that the creation of a new world order is inevitable. But naturally there is not the same unanimity on the question of how to create that new order; nor can it be expected. Those who envisage a new world order should not labour under an illusion that, on the termination of the present war, a big political or economic miracle waits round the corner. Pre-war nationalisms, with all that they stood for, will not vanish as it were by a post-war "spontaneous world revolution sweeping away in a tidal wave of brotherhood the separatism of centuries." Each country must work out its own political, social and economic emancipation in the light of its own circumstances and environment, aided no doubt by the revised ideals of self-determination and mutual co-operation and the new forces of political and economic democracy liberated in the process of implementing the war aims of the United Nations, if they are not to remain mere slogans of the war time. India must work out her own programme of national planning; she will have to overcome many obstacles in the process.

Apart from the almost impregnable barriers created by the doctrines of pre-war exclusive nationalisms and imperialisms, there are the equally powerful forces of capitalism which now reigns over the economic desti-

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nies of the world and which will resist to the last every effort to dislodge it from its citadel. Among the systems of economic organisation which are destined to play an important role in post-war reconstruction, *capitalism*, *socialism* and *co-operation* will each try to make itself felt. For a correct appreciation of the problem, it may perhaps be useful to state in a word how these three economic schools of thought stand in relation to the State as at present it functions in most of the free countries which enjoy varying degrees of democracy. While capitalism stands for a *static* state, socialism stands for an *expanding* state co-operation stands for a *diminishing* state. The State as we now see it in those countries, generally speaking, allows the largest scope for the exploitation of the consumers by capitalists, who now virtually control the machinery of production and distribution. Capitalism can thrive only under the protective wings of a state so constituted. That is why we find that even in the most advanced democratic countries of the West, the Governments and capitalists strongly lean on each other. The Governments are indeed well buttressed by the capitalists. Socialists on the other hand want an all pervading state control, or an indefinite expansion of the sphere of state action, over the whole field of the structure of production and distribution. Co-operators are definitely opposed to both these schemes of economic organisation. While some co-operative thinkers are totally opposed to any form of state interference with our structure of production and distribution, like that section of American Co-operators headed by Dr. J. P. Warbasse, others are for limiting such control to very narrow limits, with due regard to the overriding claims of the state in regard to certain concerns of general public interest. The position taken up by co-operation as an economic system is graphically put thus by an eminent writer: "Co-operation has proudly pitched its camp facing on the one side the Liberal school of classical economists and on the other the Marxian doctrines in the ascendant for the last fifty years." It is, however, mainly a movement which involves strenuous struggle against the existing social system built on the institution of merciless competition and individual profit-making. That system has already become so indefensible that those who are anxious to prevent its total extinction are advocating radical reforms in its principles as well as methods. Sir George Schuster, a prominent British capitalist, speaking very recently on 'post-war industry', warned the Industrial Co-partnership Association, London about the great danger of state imposing rigid control over the industry at every point, if profit-making continued after the war to be the primary motive of those at the head of the industry and if each concern attempted to run its own affairs according to its own single interests. It is evident

that he dreads the prospect of nationalisation or socialisation of post-war industry. Anyway he wants capitalism to shed some of its obnoxious features and adopt some of the vital principles of co-operation in the re-organisation of post-war industry. The state itself seems to realise in a much larger measure than it ever did before the need to meet the workers' demand for their due share in the fruits of industry and their claims as a matter of right to security of employment and proper standards of living. The scheme of compulsory state insurance against every form of personal want and insecurity, which is now in the process of being evolved in Britain, offers a direct challenge to all vested interests opposed to nationalisation or co-operatisation of social security services. The scheme proposes to put permanently a substantial load on the income-tax paid by the rich in order to enable the state to make its contribution to build up the social insurance fund. Mr. R. A. Palmer, Vice President of the International Co-operative Alliance, in his inspiring message to world co-operators this year, draws attention to some national trends in the war which testify to the wisdom of co-operative principles in the economic sphere. The application of the principle of limited dividends on capital in America, restriction of margin of profits on transactions in England and the spectacle of one country sending its surplus food and materials to another country which is in need of them during the war are the instances cited by Mr. Palmer. Evidence is thus accumulating daily of a wider recognition of the inevitability of adopting co-operative principles and methods to meet the changing conditions of world economy. I feel that there are more economists, statesmen and administrators in the world to-day who are drawn closer to the irresistible economic doctrines of co-operation. These are writings on the wall of time which one may read as one runs. Once capitalism in its present form is thus put out of our way, the relative merits of co-operation and socialism as more equitable alternative methods of economic reconstruction, can be better assessed in a new perspective.

The definite aim of co-operation is to bring about the economic emancipation of the masses by methods, which are characteristically its own. Co-operation is a part of the larger movement of national reconstruction based on the ideals of economic freedom achieved through associated effort of the most equitable kind. Indeed it is essentially a new social philosophy whose aim is to replace the existing economic practice by one which is more just, socially and economically. This is achieved by the adoption of principles and methods which are simple in conception but far-reaching, nay revolutionary, in their effects. Under a Co-operative Commonwealth, goods are not produced for profit but for consumption. It is not the producer that determines the quality and quan-

tity of goods and commodities supplied, but the consumer. Industry, trade and commerce thus democratised transfer economic power and control over the means of production and distribution from the hands of capitalists and capitalist-ridden Governments into people's hands. But in Co-operation associated consumers will be the controlling authority, and not the state as in socialism. The capitalist myth of over-production of goods and commodities, while as a matter of fact at least one half of the population of the world is under-fed and insufficiently clothed, will be exploded. Swollen stocks were due not to *lack* of demand but to the *ineffectiveness* of the demand, which means the lack of purchasing power among consumers who are not adequately supplied even with the elementary necessities of life—food and clothing. Co-operation aims at curing this crying social evil.

But it may be asked: "Have these ideals and aims of co-operation found any genuine echo in the hearts of the Indian people or has the State in India given any tangible indication of its faith in Co-operation at least as one among the agencies which can make a real contribution to the social and economic betterment of the people?" To my great regret, I must answer the question in the negative. I have often said in the past: "Co-operation, as we see it to-day, is not really associated with our national life in any sphere of action." It seems to me that our Provincial and State Governments have no faith in the Co-operative Movement or its potentialities as an effective agency even in the limited sphere of the organisation and development of our agriculture and cottage industries. Governments in India are not unaware of the purposeful use to which co-operation is put in other countries, for instance, in China and Palastine, to promote collective farming and organise small-scale industrial production, but are not somehow prepared to put Co-operation to similar use in India by suitable and effective help and guidance. Nevertheless I am sure that the future National Government of a free India, which will not be long in coming, will realise the potentialities of Co-operation in bringing about an orderly society based on equal opportunities in life to all sections of the community and on a more equitable and rational distribution of national wealth. It is this hope that must sustain the Indian Co-operators in their endeavour to educate the people in the principles and practice of co-operation and to keep aloft the co-operative flag without compromising its principles. We must have an undying faith in these ideals and continue to preach them till we compel their acceptance by those who will be responsible for post-war- reconstruction.

EFFECTS OF THE WAR ON THE CO-OPERATIVE MOVEMENT.

It is in this back-ground that we must try to ascertain the place of co-operative organisations in the war and post-war economy of India. It is difficult to give any clear and comprehensive idea of the reactions of the war on the Co-operative Movement in India. Such information as we have on the subject is scanty and scattered. But it may be stated with a certain amount of confidence that the co-operative institutions in India have not so far been adversely affected by the war. If the Central and Provincial Governments had adopted a better regulated policy and more effective measures in regard to price control, export and import restrictions and internal transport of goods and commodities, the economic position of the members of our co-operative societies would indeed have been far better than it was before the war in view of the sharp rise in the wholesale and retail prices of their produce. But the prices that matter to the agriculturist are not those paid by the urban consumer, but those that are obtained by the rural producer. The substantial difference that there is between the two is absorbed by numerous intermediate profiteering agencies. The producers who thus get less than their due share of the legitimate price for their products, at the same time, constitute the bulk of the consumers of manufactured goods, for 80 to 85 per cent of our population live in the villages and subsist on agriculture. The disquieting disparity between the prices of primary products obtained by the agriculturist and the cost of the manufactured goods consumed by him has put a serious limitation in his purchasing power. What additional purchasing power that is created on account of the easy money conditions and increase of currency in circulation is placed mostly in the deep pockets of the middlemen and dealers and not in the outstretched hands of the primary producers. Again loss of overseas markets for certain commercial crops like short staple cotton, jute and groundnut has also hit the growers of those crops. But for these and some other adverse factors our co-operatives should have thriven much better in the war.

Let us now make a brief objective survey of our actual achievements accomplished in spite of these handicaps. Three types of co-operative societies on the working of which the effects of the war may be usefully studied are the industrial societies, consumers' stores and credit societies.

Industrial Societies.—The Industrial societies have on the whole shown their capacity to take advantage of the opportunities afforded by the war to develop some types of cottage industries. The Defence Department and the Indian Stores Department derived through co-operative societies some of their supplies which prior to 1940 were derived

mainly through contractors. The extent to which production by these societies was stimulated by the war must be ascertained from the provincial administration reports of the Departments of Co-operation and Industries. The information contained in them is not collected on an All-India basis. So all that is possible to do is to give some idea of the war-time activities of these societies in reference to one or two select provinces by way of illustration. In the United Provinces the military requirements manufactured by these societies include articles like *tat patti*, *niwar*, *kalins*, *tahmads*, gauze cloth; nets camouflage; coating and shirting cloth, *jaconet*, towels, *sarees*, comforts and knitted goods including socks, drawers, water-bottle carriers, tapes and sola pith hats required by Defence services. The extent of progress achieved so far is detailed in a pamphlet issued by the United Provinces Co-operative Industrial Federation. Nets camouflage alone, it is said, have brought to the villagers in these provinces over Rs. 7,00,000 within the half year ending with 31st December, 1941. The village folk have demonstrated their skill and intelligence in the manufacture of these articles. The U.P. Government, besides employing an additional special staff to promote the work of the societies, have placed at the disposal of the Registrar of Co-operative Societies, an interest-free advance of Rs. 12 lakhs to finance these "Co-ops." This effort, if sustained, will result in considerable expansion of output by these industrial societies in peace time.

In Madras and Bombay the type of industrial societies whose activities received an impetus by the war are the Hand-loom Weavers' Societies. In Madras, the Government not only made substantial grants for the encouragement of these societies but also issued instructions to all their consuming departments, including local bodies, to obtain their requirements through the Provincial Handloom Weavers' Society. They have further permitted a 10 per cent preference to be given to these products over the lowest tenders for the supply of hospital requirements in respect of certain kinds of cloth. The value of handloom products sold by the Provincial Handloom Weavers' Society has increased more than twenty-fold, from Rs. 49,000 in 1934-35 to over Rs. 12 lakhs in 1940-41. There is further increase in 1942.

But owing to the abnormal rise in prices and inadequate supply of yarn, the handloom weavers have not been able to benefit by the new demand created by the war. The spinning mills are not able to spare more than four hundred million lbs. yarn after satisfying their own requirements. Out of this, 120 million lbs. are now consumed by the Supply Department of the Government, thus leaving not more than 280 million lbs. of yarn, while the normal requirements of the Hand Loom

Weavers' Societies are round about 450 million lbs. annually. It is doubtful if even this limited quantity of yarn thus available is conserved for use by handlooms in India or is being partly exported abroad.

Consumers' Societies.—There has been considerable expansion of consumers' stores movement, mainly as a result of the conditions created by the war. The progress is particularly notable in Madras. Owing to the unhealthy tendency to profiteer and the difficulty of deriving supplies of articles of food and household requirements, particularly by the poorer classes, which became aggravated by the conditions created by the war, the services which these stores can render became evident. In 1938-39, just before the war, there were in all 85 stores with sales amounting to Rs. 23.7 lakhs in the Province of Madras. At the end of 1940-41, that is on 30th June, 1941, the number of stores increased to over 300 and the sales to about Rs. 62 lakhs. There was thus quadrupling of the number of stores and trebling of the sales in the first two years of the war. In the year 1942 there has been further progress and wholesale stores are organised in some districts to help the primary stores. Besides groceries and household requirements, some of the stores are also distributing to their agricultural members and non-member agriculturists, feed, seed, manures; implements and the like. The expansion; however, was a hastily improvised measure and was not the result of adequate investigation into the prospect of the successful working of the new stores without state-aid, which is a purely temporary war measure.

An outstanding example of services rendered by the consumers' stores in India to meet the exigencies of war time requirements is that of the famous Triplicane Urban Co-operative Society in Madras. In addition to its 31 branches in the city, 30 more new depots have been opened in parts of the city not served by these branches. More depots are being organised wherever the need for them is felt. It is done at the invitation, and with the financial aid, of the Government of Madras to enable the store to buy and stock goods in bulk. It now caters to a much larger public than its 7,000 members and sells to non-members as well. The monthly sales in the branches and depots of the store ranged between Rs. 3½ and 4 lakhs for the last 6 months. Last year's average was about Rs. 1 lakh a month. The poorer classes in the city have undoubtedly been benefited by the extended services of this store.

There has been expansion of the store movement in other Provinces and states also, particularly in Bombay and Mysore, as a direct result of the exigencies of war.

The co-operative stores are being treated as bonafide dealers for the purpose of obtaining licences to distribute sugar, kerosene and certain

other articles, whose sale is now subject to control by licensing order. But there is no move on the part of the Government to recognise the co-operative stores, where they exist and work efficiently, to be the main distributive agencies in respect of even essential domestic requirements.

It must, however, be said that unless these distributive stores derive their supplies for retail trade either from co-operative producers' societies or from the depots established by the Government, who should purchase the commodities at the producing centre, these co-operative stores have necessarily to depend on the dealers who stock and sell for profit and debase the quality to further increase their margin of profit. It is an anomalous position for co-operative societies to depend for their supplies on the very class of middlemen whom the movement is intended to displace. But making allowance for such handicaps, the reactions of the war on the store movement in India have on the whole been of a beneficial nature.

Credit Societies.—In regard to the co-operative credit societies all that may be said is that the war had no adverse effect. The Co-operative Banks, in common with the commercial banks, are enjoying the confidence of the investing public. The Co-operative Banks are, in some instances, considered to be safer than small joint stock banks by the depositors. It is remarkable that while there was some small tendency for withdrawals from banks after the collapse of France in 1940, the entry of Japan into the war and the occupation of Malaya and Burma had not even that feeble reaction.

The co-operative credit structure in India is federal in its conception. The 1,02,000 primary credit societies (rural and urban), the 600 central banks and the dozen Provincial or Apex Banks form integral parts of its machinery. The credit movement plays no insignificant part in the financing of agricultural industry and small-scale urban occupations. The credit societies have a membership of over 60 lakhs and a working capital of about Rs. 110 crores. It is true that all is not well with many of these credit societies, but attempts at weeding out the lifeless, and rehabilitating the weak, ones are beginning to bear fruit. In India the commercial banks do not finance the agricultural industry. These banks generally supplement the resources commanded by them in the chief money markets by drawing the surplus wealth of small towns and even rural areas into the cash chests of their head offices, and usually finance big business and substantial borrowers. The aim of co-operative banking system is just the opposite. It collects the surplus wealth of urban as well as rural areas and distributes it to the lower middle and poorer classes in the villages through its wide-spread financial distributory

system "spreading it in rills over a broad surface so that the irrigation may be perfect reaching every root to be watered."

The main defect of the Co-operative Credit Movement from the stand point of our national economy is that it is not yet harnessed to the real productive enterprise of the farmer. Even during the present war, when a loud propaganda is being carried on to 'grow more food,' the machinery of Co-operative Credit is not utilised to finance the cultivator for the growing, processing or marketing of his produce. The conditions created by the war have thus not had any positive beneficial effects on agricultural co-operation or the co-operative credit movement. Old slogans like 'Back to the Land' have already become obsolete. Unless agriculture, which is now a deficit economy, is converted into a surplus economy and the grievous absence of balance between our rural and urban economy is redressed, land will not attract new talent or adequate fresh capital. The future cry should be "Forward to the Land" after making the settlement on land an attractive proposition, economically and socially. In the process of post-war reconstruction of agricultural industry by a well regulated system of agricultural credit, many of the 100,000 rural societies could be so reorganised, with wider functions than merely credit, as to help the agriculturists to grow more food and cash crops to encourage co-operative farming, to promote the collective acquisition and co-operative use of the more expensive types of farm machinery and equipment and to establish a closer relation between the farm and the factory. The potentialities of the movement as a powerful factor in the post-war reorganisation of agriculture and cottage industries are immense, and co-operative banking is bound to find an important place in the scheme of our national planning, particularly in the sphere of rural finance and marketing.

Co-operation is after all business run as a service. Under its influence the economics of industry, trade and commerce become rooted in ethics—ethics of social and economic justice to all sections of the community engaged in the production and distribution of national wealth and fair deal to consumers. Whatever may be the ultimate form of India's political constitution, our voluntary co-operative organisation will be a powerful aid to national reconstruction. It will also help to hasten the process of the transfer of political and economic power and control into the people's hands. So build co-operatives in order to build genuine democracy and co-operatise India's industry, trade and commerce. India will then have an honoured place in the New World Economic Order.

URBAN CONSUMERS AND AGRICULTURAL PRODUCERS

By

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The linking of urban consumers' stores with rural producers' sale societies, which are both organizations of the economically weak, makes a natural appeal to the co-operator in India. That the scope for inter-trading is ample, as the aims of the two are complementary rather than conflicting, is among the commonplace opinions held in co-operative circles and reiterated at conferences, official and non-official. The Registrar of Co-operative Societies, Madras, in his administration report for 1939-40 regretted that "The movement was an aggregate of pieces rather than a whole of coherent parts and that a completely dovetailed structure had not yet been achieved in producers' and consumers' co-operation." In the next report he noted that some progress was made in linking the two and reconciling their interests and looked for further progress. To students of co-operation, the actual achievements might not yet look impressive by the side of those in western countries. But in India we see little of the ideological conflict between the two organisations, that we come across in those countries where either the one or the other type of co-operation is predominant.

The consumers' stores in Great Britain for long did not view with sympathy the growth of the organisation of producers, either industrial or agricultural. They were not only anxious to manufacture as many consumable goods as possible in their own or in the Wholesales' factories, but were playing with the idea of owning and farming land and raising the foodstuffs required by members. Consistent with their creed of production for use and not for profit, which they alleged was the aim of producers' societies, they actually carried on some farming in the home country, while the C.W.S. did it also abroad, but found it generally far from paying. The fact is that in most lines farming to be successful should be self-directed rather than done to dictation of the master—the most notable exception being the plantation industry in which the C.W.S. is maintaining some progress. As a general rule, the leaders of the British consumers' movement are now prepared to

grant that farming is better carried on by independent farmers or small holders from whose co-operative organisations foodstuffs might be purchased and to which they would supply house hold and even agricultural requirements through the Wholesale. The retail societies and the C.W.S. were before the war, buying a number of perishable foodstuffs—milk, fruit, vegetables, eggs—from local farmers' societies, while more than a third of their total imports of less perishable foodstuffs were bought from foreign agricultural co-operatives—especially wheat, butter, cheese, meat, dried fruits. They still liked to do their own processing—pasteurising milk, flour milling, jam-making—in preference to getting them done by agricultural co-operatives.

Recent Marketing Acts and other schemes of State production of agriculture unfortunately revived bitter memories of the old land monopoly and strained the relationship between the two movements. It is only natural that in a country of landlords and large farmers, the champions of the consumers' movement, which is still dominated by the industrial working class, should suspect that the benefits of agricultural producers' organization and its linking with consumers' stores would be reaped not so much by the labourers on land, as by rent-receiving landlords and capitalist farmers. In fact, the American Committee on Co-operative Enterprise in Europe (1937) observed: "It is in Britain that the poorest working relationship exists between agriculture and consumers' co-operatives".

The relationship between the organisations of producers and consumers was decidedly better in other European countries that the Committee visited. In Sweden, 'the consumer co-operatives were studiously friendly to farmers' co-operatives' and bought from them whenever possible and helped them with finance. In Finland the two organisations strove together to lessen the spread between the price paid by the consumer and that received by the farmer. Labour felt an identity of interest with the small farmer and did not try to take all the advantage. In Switzerland, where "consumer co-operation is less a class movement than in any other country" and farmers also were thoroughly organised in co-operatives of their own, there was little conflict between the two federations (V.S.K. and V.O.L.G.) They bought jointly and bought from each other. They had agreed not to compete with each other in opening new stores, and they had set up a joint board of arbitration to settle disputes. In Denmark the consumers' societies were stronger in rural than in urban areas, and their membership was identical with that of various agricultural processing and marketing societies. Naturally the relationship between the two organisations was

harmonious as the members knew intimately the problems of production and distribution.

The closer collaboration between the producers and consumers in these countries than in Great Britain might be ascribed to the more even development of co-operation between town and country and to the more even distribution of landed property, largely brought about by deliberate state action.

Now, taking the whole world into account, it was found before the war that agricultural co-operation was growing much faster than consumers' co-operation and was putting forth into the markets of the world produce valued twice as much as the goods supplied by consumers' societies to their members who were, however, fifty per cent more numerous than those of agricultural societies. The latter exerted a greater pull in the national market, because of their command of a larger percentage (45 to 90) of particular commodities offered therein by all producers. But consumers' societies could capture only 12 to 30 percent of the total retail trade of the country, even where they had developed well. More emphasis has accordingly been laid in recent years on the need to bring together the two organisations, if only to overthrow the hostile forces working for private profit—the capitalist speculators, brokers, merchants, etc., and to eliminate the waste due to competition, advertisement and needless transport and storage. The farmer is himself an ignorant speculator producing for an unknown market, which a well-developed consumers' movement can check by forecasting effective demand and placing definite orders in advance.

II

There has been nothing like a movement in India for the organisation of consumers even in urban and industrial areas. The British rulers of the country, though they came from the original home of consumers' co-operation, were more keen on providing co-operative credit to agriculturists and workers in small industries, and the first Co-operative Societies Act (1904) did not have any provision for the registration of stores. The workers even in the organised industries were far too ignorant and ill-paid to think of co-operative stores for themselves. When labour unions sprang up at the close of the last war, the leaders took little interest in co-operative organisation, in which success was bound to be slow and less spectacular than in the methods of strike and bargaining with employers. The employers of a few big mills began to sell foodstuffs and other necessities for their workers at or below cost price, at a time of rising prices and profiteering. It

was a welfare activity and not co-operation. Until a few years back there were not more than a dozen mills in the whole of India, where workers had co-operative stores of their own. It was only during the last two or three years that employers in about twenty textile mills in Madras—notably in Madura and Coimbatore—have been persuaded to open co-operative stores for their workers. These stores are in their infancy and receive a lot of financial and other aid from employers, who really control them. There are a few railway companies—notably the B.B.C.I.Ry. and the S.I.Ry,—which have provided facilities for running of co-operative stores for their employees with branches in a number of centres along their lines. There are some unco-operative features in their working, which need not be gone into here. Suffice it to say that the controllers of these nominally co-operative stores could not be normally expected to go out of the way and seek their supplies from the new co-operative producers' societies instead of from well established merchants who had closer contact with them on account of consigning and receiving their goods by the railway.

By far the largest number of urban co-operative stores in India have been organised by the middle class educated men in Government service or in the learned professions in the cities and large towns. Many of them, especially those stimulated by the rise in prices at the close of the last war, died an early death. Among the outstanding survivals are the Triplicane Urban Co-operative Society in the Madras City and three or four societies in the larger towns of the province. Mysore State has three or four stores and Travancore one large store. South Indians in Bombay City have a well developed consumers' society, by far the biggest in that province. These are the only co-operative stores in the country of any considerable membership and transactions at all comparable with those of foreign consumers' societies.

Quite a large number of stores are now being organised in India, particularly in the Madras Presidency (where they are said to number nearly 500 now) to combat the tendency to profiteer, exhibited by private shop-keepers. How many of these war creations will survive the end of the war, it is difficult to prophesy. Even if we take into consideration only the long-standing stores, it cannot be said that the members of these stores, at any rate those on the governing bodies, have been moved by any strong conviction that the private profit of middle men should be eliminated, that dealings with wholesalers should give place to purchase from producers' sale societies wherever they are functioning. There have undoubtedly been expressions of opinion in general body meetings of some societies, of the T.U.C.S. in particular, that articles should be purchased as far as possible in producing centres

in the season of plenty stocked in society's godowns and released for retail sale to members from day to day, in preference to more frequent purchases in consuming centres where naturally prices would be higher. This has been demanded more from the point of view of economical purchase by the stores and greater dividends to members, than from any over-flowing sympathy to agricultural producers. There is, however, no ill-feeling at all against the latter on the part of urban store members in this country, based upon ideological considerations, as we noticed in the west. If anything, there is a sentimental attachment in educated circles in favour of the producer on land. It is easy to build upon that sympathy and promote inter-trading, so long as it is not less economical for consumers and the sale societies are genuinely co-operative.

Societies for the sale of produce have been organised in India rather slowly and cautiously. Attention was drawn to the history of agricultural co-operation in Europe, which revealed that the marketing of raw produce (as distinguished from converted products like butter) was the most difficult of co-operative activities to run. It was distinctly laid down by a Committee of Enquiry at Madras in 1931, which examined how far co-operative marketing, for which there was then a clamour, could mitigate the effects of economic depression, that an essential condition of success was "production in a compact area, concentration and despatch through a bottle-neck to a distant market" whereas "production spread over a wide area largely for local consumption over an equally diffuse area, a common condition with food grains will render co-operative marketing unprofitable." The scope for the co-operative sale of paddy was said to be extremely limited; what the ryot wanted was loan on the pledge of produce to help him hold the produce for sale at a higher price.

It was subsequently felt that co-operative sale could be undertaken of paddy grown in deltaic districts and milled and despatched as rice to consuming centres at a distance. In Madras *pucca* sale societies were at first organised only for cotton and groundnut. Similarly in Bengal jute sale societies and in Bombay and Central Provinces cotton sale societies were organised. The Jute societies failed miserably due to mismanagement, while the Bombay cotton societies became the most famous in India. Societies marketing other agricultural products in Bombay (jaggery, chillies, areca-nuts, fruits and vegetables) do very little business compared with cotton sale societies. The co-operative commission shops of the Punjab stock and sell a variety of produce, but chiefly wheat and grain. In the United Provinces wheat, gram and oil seeds are sold

but the most important are ghee societies about 700 in all, selling ghee valued at Rs. 2 lakhs. Sugarcane marketing societies are another important feature of the United Provinces, and they supply 70 per cent of the cane crushed by the sugar factory of the provinces. In Bihar there are over 800 sugar cane societies which market cane through 28 marketing unions. An orange growers' society in Central Provinces was sending wagon loads of oranges to cities in N. India. In Mysore, small quantities of paddy, arecanut, cocoanut, oranges and honey were marketed by co-operative societies. A wholesale society in Travancore is reported to have produced, graded and sold pepper, ginger, copra and turmeric. It is very doubtful if any of the above commodities found their way into the co-operative stores anywhere.

It is in the Madras Presidency that the extension of marketing activities has been greatest in the last four or five years. About fifty different kinds of dry foodstuffs and fifteen different kinds of fruits have been put on the market by the sale societies.—the most important of them being rice (milled and handpounded, raw and boiled) ghee and butter, dhal, jaggery, gingelly seeds, potatoes, mangoes, sathukudi oranges, limes, honey and eggs. On the whole the sales of all sale societies amounted to Rs. 175 lakhs in 1940-41.

It is not easy to find out from the report of the Registrar or the Provincial Marketing Society in Madras how much of the above agricultural products were taken up by co-operative store societies. Nearly a hundred stores were said to have purchased in 1940-41 goods worth Rs. 1.5 lakhs from all producers' societies, including weavers' societies. This total is but a very small fraction (2.5 per cent) of the stock in trade of the store societies, which amounted to Rs. 62 lakhs, while the value of goods sold by them in the year was Rs. 58 lakhs. Two district marketing federations—Tanjore and Nellore—and half a dozen primary sale societies (Shiyali, Chidambaram, Chingleput, Maipad and Allur) have established a reputation for rice all over the Presidency, and some co-operative stores and wholesales have been supplied by them. The *dhal* of Tirupputtur and ghee of Rasipuram have obtained similar recognition. A society which has established direct contact with the largest number of stores and other co-operative societies (exceeding 100) is the Kodur Fruit Growers' Co-operative Society, which supplies the well known Sathukudi oranges (to the extent of Rs. 1 lakh to the Provincial Marketing Society alone.)

A few District Co-operative Wholesales have been organised recently with the object of making wholesale purchases for all the stores in each district. Two are functioning already, one in Madura, the other

in Coimbatore, where besides urban stores, which were catering only to a small number of educated middle class people in the district headquarters, new workers' stores have been established for the benefit of the large number of employees in the textile mills, and a number of stores have also been opened in the smaller towns and the bigger villages. Several of these do not seem to be working well in spite of credit facilities extended to them by central banks for purchase of their requirements from the district co-operative wholesale. The old urban stores buy very little from the new wholesales but resort to their old private suppliers in the local market for most of their goods, while a few articles are purchased from the sale societies all over the province. The Madura Mill Store found it worthwhile to buy from the Madura Ramnad Dt. Co-operative Wholesale for a year or so at the beginning, but with increasing membership and transactions seems to find it more profitable to buy from big private wholesalers who now seek its doors. The mill stores in Coimbatore are much smaller and have been so far dealing with the Central Stores (their C.W.S.), on whose board of management they are well represented. This central stores gets its supplies mostly from new co-operative sources. The Madura Ramnad C.W.S. sustained losses in the first two years; the Registrar said "it did not resort to scientific buying at the producing centres in appropriate time". More was expected of it as 'business has now been mastered.' It purchased paddy and rice from the Tanjore and Nellore Marketing Federations last two years but it could not do so this year on account of transport difficulties. This C.W.S. had stocked a large variety of goods, but it did not find enough loyalty from the affiliated store societies. It has had to amend its bylaws so as to open branches of its own in the Madura City and elsewhere to sell its stock even to individuals who are not members. It has supplied goods outside its jurisdiction, to the Madras Provincial Marketing Society, to the S.I.R. Co-operative Stores and to the T.U.C.S. It buys not only from co-operative sale societies, but much more from private wholesalers in centres like Virudhunagar, where the last two stores have also been buying, thus resulting in unhealthy competition among co-operative institutions.

The T.U.C.S., the premier consumers' society in India, has been criticised for not giving the right lead and for ignoring the claims of sale societies. The writer of this article, as one connected with the management of the T.U.C.S., has more precise data on the attempts made by the Society to deal with several sale societies in the province and the Provincial Marketing Society at Madras. As early as 1929, the T.U.C.S. began making purchases of ghee, jaggery, tamarind, onions, garlic; soap-nuts etc., from sale societies, all over the province, but transactions were

neither large nor long sustained. In 1934, the T.U.C.S. tried to purchase rice from the Nellore Paddy Purchase and Sale Society, in which it had taken shares, though it had established its own depot in the district for the purchase of paddy. The business of this depot was for some time suspended to give a trial to the rice of the sale society. But this was found to be quite unsatisfactory, and so its own depot had to resume buying paddy and milling. It was found that the secretary of that sale society was himself a miller and merchant and the society for want of business had to be liquidated subsequently. Some primary sale societies in other parts of the Nellore District and the recent District Marketing Federation are doing better business, and the T.U.C.S. has purchased their products through the Madras Provincial Marketing Society to fill gaps in the supply from its own depot at Kodavalur. To feed its big oil mills the T.U.C.S. has purchased a large quantity of gingelly seeds—more than 1,000 bags per year—from a sale society in Salem District. The supply was regular, and the quality was satisfactory, but the supply is no longer forthcoming, for reasons not known to us. Seeds from two other societies have never been so good. A cocoanut growers' society in Tanjore sent a wagon load of cocoanuts (16,000 nuts) for a trial. It was not profitable to get less than a wagon load at a time. But it was not possible for the T.U.C.S. to sell them before deterioration set in. Potatoes were supplied by one society, but the consignment was not satisfactory and the T.U.C.S. was unwilling to take any further risk. Orders were placed for butter, a few tins every day, from two societies in the Circars, though the T.U.C.S. had a butter depot of its own and one or two private suppliers. The butter did not look attractive but was good from the point of view of out-turn of ghee. Prices quoted were higher than those of private suppliers. The societies did not like the fluctuations in the order placed by the T.U.C.S. from day to day, which was inevitable because of the marked variations in demand by the consumer members at this end; and no butter was of a quality that could be preserved. More satisfactory was the dealing in ghee with the Rasipuram Sale society, which supplied the T.U.C.S. regularly for ten months. Unfortunately the stock of ghee in the emergency godowns this year accumulated to such an extent that fresh supply had to be stopped. The well known Co-operative Labour Union of Tiruvannamalai was sending charcoal; but it could not be continued on account of transport restrictions and the difficulty of stocking charcoal in the branches. Other societies' goods too have been given some trial, but either the quality is not uniformly good or the supply is irregular. In fact this is the complaint repeatedly made by the Madras Provincial Marketing Society against the primary sale societies, which are its members. "But only a few societies send goods, and even they do not send the

goods regularly. The Society is thus handicapped, in building up a steady business in the City." The sale societies would not care to send goods to Madras, where prices were often lower than in the moffusil, because of supplies from different parts of India and of Burma and Malaya. Now transport restrictions are severe, and local demand must have in many cases been good enough. Really the anxiety to market co-operatively flies with the rise in prices.

The Madras Provincial Co-operative Marketing Society was organised seven years back with the main object of finding a sale for the produce of sale societies, and of individual producers, where these could not join any primary society. It has latterly assumed the role of a wholesale and retail supplier for co-operative and other institutions and even individuals wanting goods. It supplies not merely the goods of sale societies but also of merchants who have become members. It started with some individual members who were well-wishers of co-operative sale or other societies, but it has since admitted individual members who are really traders, some of whom may call themselves producers, because they do some processing before sale. In fact this is the weakness of many a primary sale society too. Traders, who may pass as producers, come in not only as members but are elected as office bearers. Not even ten sale societies send goods regularly to the Provincial Society, and yet it has undertaken to supply provisions to big hostels, institutions and even individuals who are not its members, and some of whom are members of the T.U.C.S. It has naturally to buy from the local merchants. It has been selling articles in *retail* at the head office and in some depots in the city to the general public. It has been selling on credit to some regular purchasers. When the T.U.C.S. protested against this retail sale, it was said that it was necessary to find an outlet for the goods sent by sale societies, and merchants would not buy them all. Still the T.U.C.S. has been its biggest single customer: It has purchased this very year, in connection with the emergency scheme nearly 20,000 bags of rice, 2,250 bags of *dhal*, 1,600 bags of chillies, 1,000 tins of ground nut oil; etc. all worth about Rs. 2 lakhs from or through the Provincial Marketing Society. It is not fair for a co-operative society receiving state subsidy since its inception till last year, and the loan of services of Government staff, to behave in this fashion towards a premier co-operative store which continues to be its biggest customer. Overlapping in distributive co-operation is a curse that took years to get rid of in other countries. Why should it be allowed to grow in a country where hostile forces are yet too powerful? This is not the atmosphere in which co-operative inter-trading can flourish.

The writer of this paper (in his individual capacity and not as a Director of the T.U.C.S.) ventures to suggest the following points for the consideration of the Co-operative Department and all the co-operative institutions concerned:—

The Provincial Marketing Society must give up sale in retail to individuals or institutions in the city of Madras. It should refuse to have as member any individual or concern in anyway connected with trade in the city or elsewhere. It should endeavour to sell the goods it gets from the affiliated sale societies to co-operative stores in the city and the moffusil in the first instance, and it is only when the stores fail to purchase that they should be sold to wholesale merchants in the city. It should not be the aim of the Provincial Marketing Society to make profits but to serve as a bureau of information and a liason between co-operative stores and sale societies in the Province. It must be entitled to a subsidy on that account.

The T.U.C.S. must on its part undertake to buy as much as possible from the Provincial Marketing Society, giving the first preference to its goods—rather to the goods of its affiliated societies. Even where direct contact is established between the T.U.C.S. and any sale society, a small commission or fee may be paid to the Provincial Marketing Society, which must be prepared to act as an arbitrator in case of any dispute as regards quality, weight, etc., of goods supplied and prices stipulated.

The Department of Co-operation should refuse to register any other co-operative store in the city, except for working classes or others who require different classes or quality of goods than those supplied by the T.U.C.S. The latter may be asked to develop its distributive and other activities, but within the limits of the Corporation of Madras, while its branches in suburban areas may along with new shops in other promising centres in the neighbourhood may be organised into one or more suburban store societies—thus enlarging the market for the goods of the Provincial Marketing Society.

The writer believes that these are the lines on which further conflict between consumers' and producers' societies, injurious to both, may be avoided and a community of interest built up between them.

CO-OPERATIVE MARKETING ON A POOLING BASIS

Working of Marketing Unions in the United Provinces.

By

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A leading Italian co-operator remarked after the conclusion of the Great War of 1914-18 that the war has buried in its ruins men and their institutions, philosophical systems and political and economic doctrines, but it has given wings to co-operation. Indeed the war gave much impetus to co-operation to flourish throughout the world, and India could also not remain unaffected by the trend of the movement. But co-operation in India has not indeed succeeded in curing all the economic and social ills from which the country is suffering to-day, though it has not been altogether barren of valuable results.

Generally it so happens that though the agriculturist produces a good crop he is compelled to sell it at an enormously low price in order to pay his dues to the Government, the *Mahajan* and the landlord. Very often the *Mahajan* or the landlord purchases the whole crop without paying any amount whatsoever and the poor cultivator is left with nothing. Moreover the product has often to be sold at a ruinously low price to meet urgent demands. Middlemen of all sorts also cheat him and reap the benefit of the ignorance of the farmer. Hence arises the necessity of some sort of organization to deal with all these difficulties and to promote the feeling of better farming, better business and better living. It has been the right step, though somewhat late, to establish the co-operative marketing societies to take this responsibility on their shoulders.

The marketing plan of the co-operative societies has given birth to various societies which are known as marketing unions. Among these the Agricultural Marketing Unions are of primary importance, for they really deal with the sale and purchase of the produce of the cultivators. They function in villages under the supervision of a Supervisor and the guidance of a Board of Directors. Each Union comprises the membership of not less than a dozen village credit societies.

The chief functions of these Marketing Unions is to improve the moral, social and economic condition of its constituent societies and their

members by advancing money on the pledge of produce, arranging for proper marketing of produce, and generally to create unity, self help and mutual help; to raise necessary capital for the union at a reasonable rate; to afford facilities to members of societies for the grading and transport of their produce; to purchase the produce of members of societies and arrange for its joint sale or arrange for the collective sale of such produce; to stock the produce of members and arrange for its sale on commission; to establish commercial agencies for the disposal of produce; to take up any other task with the approval of the Registrar and to do all things that may be incidental and conducive to the attainment of the aforesaid objects.

The difficulty, however, is that not all the societies live up to these expectations. Some of them are no better than the *bania* and the middleman and try to keep the agriculturists in darkness. They higgles and bargain to secure as much profit as they can. The producers have no other alternative but to dispose of their produce, because they are hard pressed for cash. It becomes a matter of indifference to them whether they sell to the *bania* or to the society. Very often they also hesitate to sell their produce through these societies, fearing that if they reveal their stock the Supervisor of the societies would try to take it in settlement of old debts. Moreover the Supervisors do not take the trouble of giving them sound advice—sometimes it is due to their idleness and very often due to their ignorance.

In general it may be said that the societies do not find efficient workers. The Directors and the managing Directors are often ignorant and illiterate. The educated people do not take interest in it as it is not a lucrative profession. In fact they do not even want to serve, even if they could, in an honorary capacity. Sometimes the societies suffer from lack of funds. Only a limited amount is guaranteed to them and very often they are forced to refuse to purchase because of shortage of money.

But in spite of all these difficulties and drawbacks the Unions have continued to function. In their infancy the unusual practice was to purchase the produce on the outright purchase system according to which the Union was to purchase the produce of members, arrange for its cleaning, grading and transport and sell it on its own behalf. Those who sold the produce were not held responsible for loss or profit of such transactions. The produce received under outright purchase system was evaluated at the market rate and the price paid on delivery.

This system of purchase on outright basis operated for sometime, but due to certain defects such as, inefficiency of the Supervisors and lack of interest of the Directors, it resulted in a heavy loss to the Unions and

therefore was discouraged. In its stead was introduced the commission sale system which recommends that the societies and members of societies shall store the produce either in their own godowns or those of the Union. The system also asks the Union to keep a sample of the produce and to sell the produce according to the instructions of the owner. The Union does not suffer because of a fall in price or gain by a rise but pays to the owner the full value realised from sales, less the commission and other charges due to the Union. Advances to members may be made upto 66 per cent of the value of grain received from them.

This system is good so far as it goes. It overcomes some of the defects of the old system. The Unions, while following the outright purchase system, could not help the cultivator to secure a better price. Under the outright purchase system the produce was purchased at the time of harvest and, therefore, it was a matter of indifference to the cultivator whether he sold his produce to the Union or to the village grocer. The only advantage he could derive by selling the commodity to the Union was that the exchange could be made at the current local market rate. But the loss which he had to sustain by selling the produce at the time of harvest was too great to be compensated by this benefit.

But even the commission sale system seems to fail in its purpose. The cultivators are not attracted to it as they ought to have been. One of the most serious defects in this system is that it does not take the responsibility of transport. The cultivator has to bear all transport charges while bringing the commodity from his place to the godown of the Union. While on the other hand the village *bania* goes to his doorstep to purchase the commodity and bears all the transport charges. It generally happens that the grocer comes out successfully in the competition that ensues between him and the Union. If the Unions are to function effectively there must, therefore, be a modification in the scheme.

The State should come forward to play an active part in finding markets for agricultural products and assist agricultural producers in matters of finance. The Provincial Government should share the responsibility with the financing banks by guaranteeing against loss so that the producers may secure better return and greater assistance. The marketing of produce must be on a pooling basis. The Union should agree to make a certain initial payment to producers who deliver the products for marketing. This initial payment may vary according to the grade and quality of the product. Producers who deliver their products under

this marketing plan must agree to have the proceeds from the sale of their product pooled with the proceeds from the sale of the product of the same kind delivered by other producers. At the same time the Provincial Government should agree that if the average price at which the product is sold by the Union is less than the initial payment plus the agreed upon processing, selling, and carrying charges the difference will be made good by them.

With an agreement of this kind the Union can arrange its own financing through the bank and this will be facilitated as the Union is guaranteed against loss. The marketing of the product will be carried out entirely by the Union concerned. As the product is sold and the bank loan returned further payments may be made to the producers out of the sale proceeds. The work of the Union will also run smoothly. The supervisors and the Directors will pay greater attention to the marketing of the produce as the responsibility of the loss would lie on the Government.

This kind of scheme will not only promote the object for which these marketing societies have been founded but will also ensure better finance and strength to the societies. It will encourage confidence and mutual assistance which are vital to the success of the Co-operative Movement.

REVIEW

SOME SOUTH INDIAN VILLAGES—A RESURVEY. Edited By Dr. P. J. Thomas, and Mr. K. C. Ramakrishnan (University of Madras, 1940, pp. 460, Rs. 9).

The University of Madras published in 1918 a survey of economic and social conditions of a dozen South Indian villages. The survey was conducted under the guidance of Dr. Gilbert Slater, the first professor of Economics in the University of Madras, and the book was edited by him under the title 'Some South Indian Villages.' That survey was carried out in 1916-17. After the lapse of 20 years a resurvey of 9 out of those 12 villages was conducted under the auspices of the Madras University. The detailed survey of 1936-37 was conducted on the spot by research students of the University and persons better equipped for the task than those who did the work in 1916-17. This book is very appropriately dedicated to the memory of Dr. Gilbert Slater.

The villages surveyed are said to have been selected on a random sampling basis. Of the nine villages resurveyed, the survey of one of the villages has not been published: one is situated in the Indian State of Cochin; of the remaining seven, one is situated in the Andhra Desa, one in the Malabar District and all the other five in Tamilnad. The interval that elapsed between the two surveys, is one of unprecedented economic ups and downs for the villager. The biggest boom and the deepest depression both occurred in this period. How the abnormalities of those socio-economic conditions reacted on the village life, it is difficult to say. The resurveys must be studied with this general back ground.

The publication is edited by Dr. P. J. Thomas, Professor of economics and Mr. K. C. Ramakrishnan, Lecturer in Economics of the University of Madras. The usefulness of the detailed surveys comprised in the first part is considerably enhanced by the exhaustive and informing analysis of the materials collected by the surveyors and the observations and conclusions thereon by the editors which form the second part of the publication. The editors have confined their analysis and observations to outstanding topics like population, holdings, tenancy, agricultural labour, costs and profits of cultivation, land revenue, trade and transport, rural industries, income and standard of living, education, health and local administration.

The general impression that we have formed from a perusal of the detailed surveys and the analysis of the editors is that the economic

conditions in the villages resurveyed have not only not improved in the two decades that elapsed since the first survey, but actually deteriorated in several important respects in this period. But as the scope of these two surveys was not quite identical and information on certain aspects of economic life investigated in the later survey was not collected in the earlier survey, a comparative estimate of the results of these two surveys can only be nearly correct.

There is some useful information about co-operative organisations in 7 out of the 9 villages resurveyed, from which co-operators may draw some interesting conclusions. In one of the villages surveyed, which was once considered to be a model village in respect of co-operative enterprise and local administration by the statutory village panchayat, the enforcing of unlimited liability after the liquidation of the village society has led to considerable increase in the subdivision of holdings as a result of alienations effected to discharge the debts of the society and to some of the cultivators leaving the village. The surveyor records the following distressing information: "Liquidation has in the view of the villagers led to the loss of domestic happiness and bred distress and isolation in a village not long ago famous for its communal harmony." From our personal knowledge of the circumstances attending the unfortunate liquidation of this society we can vouch to the correctness of this impression of the villagers. If unlimited liability is enforced in the manner it was done in the village in question it is bound to produce similar disastrous results elsewhere.

We come across an experiment in largescale capitalistic farming in one of the villages surveyed. A farm consisting of 100 acres of cultivable land (60 wet and 40 dry) and 150 acres of pasture land purchased for Rs. 75,000 and on which a sum of Rs. 6,000 was spent in buildings and permanent equipment, earned a net profit was Rs. 364 a year on the capital investment of Rs. 81,000—a little less than $\frac{1}{2}$ per cent per annum. The surveys have brought to light some real difficulties in the way of successfully inaugurating and working schemes of consolidation of holdings so as to enlarge their size.

We shall next briefly refer to the conclusions of the editors on some important topics. In regard to population permanent fall in the strength of *certain sections* only of the population has occurred. The case of Brahmans is an instance. The editors observe that the Brahmans left their homes on the countryside for the sake of higher education and for better means of livelihood than what they could secure on the subdivided holdings in the village. There was also a similar fall among the indigenous type of indentured labourers on land, particularly in Tanjore and South

'Arcot villages, who were reluctant to return to their old masters and fields in view of the humiliating conditions of farm service. In regard to tenancy a striking change which is noticed in the resurveyed villages is a wider spread of cultivation by tenants. This growing demand for tenants is attributed partly to increase in the number of absentee landlords and partly to the inability or indolence of a section of resident ryots to cultivate their own land. With regard to agricultural labour the conclusion drawn by the editors is that the number of landless labourers and their proportion to the total population are definitely on the increase in three of the villages surveyed, more or less stationary in two others, while comparable figures are not available for the rest. From an analysis of the surveys the editors are unable to notice any great change in the system of cropping or in the method of cultivation in the villages resurveyed. The improvements advocated by the reorganised department of agriculture have not been taken up or pursued in earnest. The materials collected in regard to costs and profits of cultivation and their analysis by the editors do not help us to form any definite conclusions. The fact of the matter is that it is very difficult to disentangle the family budget of a farmer from his farm budget. Contributions of one's own and family labour and the help rendered by and to neighbours are seldom recorded. Agriculture, as we have often said before, is more a mode of living than a business in rural India and farm accounting is practically unknown.

In regard to the system of land revenue the editors have some very interesting and useful observations to make. They start with the handicap that Dr. Slater who had the first survey conducted was a staunch believer in State landlordism and contrary to the experience of many Indian economists and publicists he held the view that the pattadars were let off lightly, for the Government could have collected more even on the basis of their claim to half the net profits, which Dr. Slater considered was a very modest demand. It is true that much of what Dr. Slater said became out of date in the light of the discussion of the question and the recommendations made by the Indian Taxation Enquiry Committee presided over by Sir Charles Todhunter. The resurveys have disclosed that farms are overmanned and under-capitalised and that owing to fall in prices in the depression period from 1929 the proportion of land revenue to net income has become much higher. The editors suggest that "a standard outturn in different circumstances should be ascertained and the taxes should be linked with the ruling prices." Speaking for ourselves we do not consider this to be a satisfactory solution of the land revenue problem in the province of Madras. But we agree with the conclusion of the editors that the time has come for a

reconsideration of the whole problem of land revenue taxation of wet, dry and garden lands.

The editors have gone at some length into the analysis of the figures relating to rural indebtedness and co-operative credit in the resurveyed villages. The difficulty of ascertaining, with any claim to precision, the indebtedness of a village remained the same in 1936-37 as it was in 1916-17 and it is not possible to say that the statistical data collected by the surveyors or the conclusions based upon such data can be accepted as affording reliable guidance for the formulation of proposals to deal with rural indebtedness. Among the subsidiary occupations and rural industries which were included within the scope of this resurvey, hand-spinning and weaving were naturally the most important. We await with interest the publication of the report of the Fact Finding Committee on hand-loom weaving over which Dr. Thomas, one of the joint editors of this publication, presided.

The publication under review is undoubtedly a very valuable aid to the objective study of the economic and social conditions of villages in South India. The task of the detailed survey was entrusted to competent hands. The editors are men who have made their mark for scholarship, accuracy and a thorough acquaintance with South Indian rural economic conditions. We congratulate the University and the editors on the conception and execution of this very useful publication that has been made available to the public at a time when the economic reconstruction of our rural life, as part of the larger programme of national planning, is engaging our minds.

—Editor.

CO-OPERATIVE SOCIETIES AT WORK IN INDIA

TRAVANCORE

Review of the Government of H. H. The Maharajah of Travancore of the report of the Registrar of Co-operative Societies, Mr M Ramachandra Rao, for the 1116 M.E. (1940-41).

General progress of the movement.—The Department continued to follow the policy of cautious expansion side by side with consolidation. The registration of credit societies was discouraged. During the year Mr. Ramachandra Rao initiated a movement for the organisation of multipurpose societies. As a result not less than 47 societies of the multipurpose type were organised in the year. All the 59 societies registered during the year were for non credit purposes. Attention was also bestowed on the weeding out of practically defunct societies. During the year the registration of 73 societies was cancelled as against 195 in the previous year. The total number of societies on the rolls at the end of the year was 1,466. The total number of women members of societies in the State was 22,689 as against 21,715 in the previous year, the proportion of women to men members being 1 to 7.

Share capital, working capital, reserve fund and deposits. The working capital fell from Rs. 73,71,104 in 1,115 to Rs. 70,57,499 in 1,116; the fall being Rs. 3,13,605. The average working capital per society was Rs. 5,189 as against Rs. 5,227 in the previous year. The owned capital of the movement was Rs. 40,84,185 in 1,116 as against Rs. 42,81,749 in the previous year. The total share capital of the movement fell from Rs. 29,85,066 to Rs. 28,94,086; the fall being Rs. 90,980. The average paid up share capital per society was Rs. 2,128 as against Rs. 2,117. The share capital per head was Rs. 16.3 as against Rs. 16.5 in the previous year. The total receipts and disbursements under deposits were Rs. 8,87,588 and Rs. 10,90,455 respectively as against Rs. 9,74,052 and Rs. 11,51,671 in the previous year. The total turnover of the societies aggregated to Rs. 89,70,919 as against Rs. 1,01,72,399 showing a decrease of Rs. 12,01,480. There was thus a definite decline noticed under all these heads.

Loans.—Loans to the extent of Rs. 7.69 lakhs were issued in the year by all the primaries together. The loans for the discharge of prior debts predominate with an amount of Rs. 3,97,690.

Demand, collection and Balance. In spite of the instructions issued last year, the collection work was poor. Against a total demand of Rs. 35,76,931 under principal and Rs. 14,55,519 under interest, a collection of Rs. 10,85,758 and Rs. 2,91,891 respectively was made leaving a balance of 69.6 and 79.9 per cent of the demand uncollected at the end of the year. In the Central Bank the percentage of balance to demand rose from 77.6 per cent to 79.1 per cent under principal and from 74.0 per cent to 84.6 per cent under interest in 1116. It is hoped that attempts will be made to induce further collection of overdues by resorting to the measures suggested by the Registrar. There has been a definite set-back in the whole movement which has attracted the attention of Government and suitable measures to rehabilitate the co-operative organisations on more useful lines are under the active consideration of Government and some steps have already been taken to attain this end.

MYSORE

Review of the Government of H H The Maharajah of Mysore of the report of the Registrar of Co-operative Societies, for the year ending 30th June 1941.

With the registration of 102 societies, the cancellation of registration of 40 societies and the amalgamation of one society, the number of societies at the end of the year was 1,956 as against 1,895 last year. While there was an increase in membership, deposits, reserve fund, working capital, turn-over and net profits, a slight decrease was noticeable in the paid-up share capital and loans issued and recovered.

With the cancellation of the registration of the Federal Co-operative Banking Union, the number of central financing institutions at the end of the year was nine as against ten during the last year. There was a slight increase in their membership, share capital, reserve fund and net profits. Under deposits, there was a noticeable increase to an extent of Rs. 3.7 lakhs.

In the Mysore Provincial Co-operative Apex Bank there was an increase under share capital, deposits, reserve and other funds. The total loans issued to societies amounted to Rs. 2,12,781 and the loans recovered to Rs. 1,91,099, as against Rs. 2,12,664 and Rs. 1,60,081, respectively in the previous year. In the amount of interest recovered, there was a fall from Rs. 1,69,933 to Rs. 1,56,350. The out-standings under interest in arrears are very large, being Rs. 5,50,896, and more strenuous efforts should be made to improve the position in this direction by recovering the arrears as far as possible. The concessions of waiving penal interest and reduction of ordinary interest to societies which paid up their overdues were continued during the year and it is satisfactory to note that 189 societies took advantage of the concession. The percentage of overdues to the demand is still large, being 75.71, though there is a slight improvement as compared with the previous year. Every effort should be made to bring down the percentage by speeding up recoveries. The working of the Bank resulted in a net profit of Rs. 41,094 as against Rs. 34,213 last year. At the end of the year, there were 47 societies in liquidation indebted to the Bank to the extent of Rs. 2,98,377 towards principal and Rs. 1,45,363 towards interest. The amount recovered from liquidated societies during the year was Rs. 16,949 towards principal and Rs. 19,301 towards interest. The official liquidators must evince greater interest in the recovery of amounts due from these societies. The Bank celebrated its Silver Jubilee during the year under the Presidentship of Rajamantrapravina Mr. K. V. Anantaraman, Minister for Finance and Revenue.

The number of primary agricultural societies increased from 1,430 to 1,480. Their membership, working capital and reserve fund showed slight improvement. The amount of net profits was Rs. 57,331 as against Rs. 12,534 in the previous year. The percentage of overdues to demand came down from 72 per cent to 67.3 per cent.

There were fourteen marketing societies against twelve in the previous year, for the sale of figs, paddy, plantains, oranges, potatoes, ginger, eggs; cocoanut and copra; honey and wax, cardamom, sugarcane, jaggery and areca. The Malnad Areca Marketing Society at Shimoga is steadily improving its business though there was a slight fall during the year in the quantity of areca received in the society due to the partial failure of the crop. The membership increased from 682 to 795 and the

paid-up share capital from Rs. 15,416 to Rs. 23,628. The quantity of areca sold during the year was 29,369 maunds and the price realised was Rs. 2,16,140 as against 8,920 maunds for Rs. 66,141 in the previous year. The net profits of the society amounted to Rs. 3,877. The society has secured a cash credit of Rs. 75,000 from the Apex Bank for granting advances to the members against their stocks with the society. The successful working of the society is in a large measure due to the keen interest evinced by Mr. M. Seshadri, M.A., who was the Deputy Commissioner of Shimoga District and *ex-officio* President of the society, and the willing co-operation of the Committee members of the society. The Maradihalli Co-operative Society, which is a typical multi-purpose co-operative society, continued to work satisfactorily.

In their order dated 18th April 1941, Government have constituted a Marketing Department under the Chief Marketing Officer who has been proposed to be given the powers of a Registrar in respect of marketing societies and made responsible for the organisation of agricultural marketing societies. The organisation of a Provincial Co-operative Marketing Society is also under the consideration of Government.

The non-agricultural non-credit societies have not shown much improvement during the year under report. Government wish to reiterate their observations made last year that the Registrar should pay greater attention to the development of these societies, in close consultation with the Department of Industries. The House Building Co-operative Societies are continuing to work more as credit institutions than as institutions supplying raw materials and undertaking construction of houses for their members. The Bangalore City Housing Co-operative Society, Ltd., continued to do good work. It had 821 members, a share capital of Rs. 60,567 and a working capital of Rs. 3,53,583. During the year it issued loans aggregating to Rs. 46,364. The Mandya House Building Co-operative Society is also reported to be doing good work. The societies started for ladies and students continued to work satisfactorily, the outstanding among them being the Tumkur Sree Sarada Mahila Society and the Engineering College Society. Among the Depressed Classes Co-operative Societies, the Mysore A. K. Dhanalakshmi Co-operative Society and the Malavalli Cobblers' Society continued to do good work during the year.

At the end of the year, the Land Mortgage Scheme was in force in 54 taluks, two sub-taluks and portions of three taluks. The scheme remains to be extended to 26 more taluks in order to bring the entire State within its operations. Two additional Inspectors have been sanctioned for Land Mortgage work, thus bringing the total number to thirteen.

The Central Land Mortgage Bank continued to work satisfactorily during the year under report. Government sanctioned the floatation of a sixth series of debentures of Rs. 5 lakhs at $3\frac{1}{2}$ per cent but this has not yet been thrown open for subscription as there is still a balance open for subscription in the previous series. The membership of the Bank on 30th June 1941 was 206 comprising of 49 Land Mortgage Societies, 31 other Co-operative institutions and 126 individuals. During the year, the Bank sanctioned loans aggregating to Rs. 2,90,060 in 341 cases and rejected 119 applications. Long term loans to the extent of Rs. 1,67,350 have been sanctioned by the Bank, since its inception, in 1,530 cases and Rs. 15,68,095 have been actually disbursed in 1,407 cases. The recovery of dues continues to be satisfactory, the percentage of recoveries to the demand being 99.52 as against 97.46 in

the year previous. A subvention of Rs. 5,000 was granted to the Bank this year also to enable it to reduce the rate of interest on loans by one per cent. Excluding this, the Bank realised a net profit of Rs. 18,717. Rajasabhabhushana Diwan Bahadur K. R. Srinivasa Iyengar, M.A., who was the President of the Bank from its inception, resigned his office of President owing to reasons of health and Lokasevasakta C. S. Kuppuswami Iyengar was appointed in his place. Government wish to record their high appreciation of the excellent work done by Mr. Srinivasa Iyengar during his long term of office. The success of the scheme is due much to the untiring energy shown and the zeal and enthusiasm displayed by him in the work. In his successor Mr. Kuppuswami Iyengar, the Bank has a President with large experience and intimate knowledge of co-operative problems.

The working and financial condition of the *primary Land Mortgage Societies* generally show an all round improvement. It is, however, gathered that there is considerable delay in the disposal of loan applications and the question as to how best to avoid this delay is said to be engaging the active attention of a Sub-Committee appointed by the Board of Management of the Central Land Mortgage Bank.

Out of 188 societies under *liquidation* during the year under report, the proceedings of only ten societies were completed, leaving a balance of 178 at the end of the year. This is far from satisfactory. Government wish to reiterate their observations made in their review on the working of the Societies for 1939-40 regarding the speedy completion of the proceedings of liquidation and hope that the work will be attended to more vigorously in future. With a view to facilitate efficient despatch of work, the jurisdiction of the official liquidators indebted to the central financing institutions was distributed on a territorial basis.

There were 67 societies at the beginning of the year whose committees had been superseded. During the year the committees of 25 societies were superseded and of eleven reconstituted; fourteen were brought under liquidation after the expiry of the period of supersession. At the close of the year, there were 66 societies whose committees remained suspended, for which sole directors were appointed. The work of revaluing periodically the securities furnished by the borrowers of societies indebted to the Apex Bank and also other societies, with a view to ascertain their adequacy for the outstanding loans is being attended to. Government wish to state that this work should be extended to all societies and wherever securities are found to be inadequate, additional securities should be taken.

The disposal of disputes by the officers and arbitrators was satisfactory. Out of a total of 3,722 cases that came up for disposal, including those pending at the beginning of the year, 3,233 were disposed of, leaving a balance of 489 at the end of the year.

BARODA

Review of the Government of H.H. The Gaekwar of Baroda of the report of the Registrar of Co-operative Societies, Mr. T. M. Desai, for the year, 1940-41.

Number of societies—The total number of societies increased by 6 from 1,297 to 1,303, but of these 228 or 16 per cent were under liquidation, and 1,075 were working as against 1,097 in the previous year. There were 905 credit societies work-

ing during the year, of which 12 were central, 716 agricultural and 177 non-agricultural. Of the 170 non-credit societies working, 125 were agricultural and 45 non-agricultural.

Of 716 agricultural societies working during the year, 613 societies were classified and 68 or 9.5 per cent of these were placed in class A (thoroughly good), 202 or 28.2 per cent in class B (defaulters and mistakes in accounts), 191 or 26.7 per cent in class C (not falling under class A, B or D) and 152 or 21.2 per cent in class D (bad and liable to be liquidated if they fail to come under class C in two years). The percentage of D class societies fell from 26 per cent in the previous year to 21.2 per cent and of A and B rose from 8.9 per cent and 22.1 per cent to 9.5 per cent and 28.2 per cent respectively.

Membership.—The total membership increased from 65,920 to 67,953 or by 3 per cent. The average membership per society was 52.1 as against 50.8 in the preceding year. It is estimated that the movement directly affects 12 per cent of the population—the agricultural societies about 6 per cent of the village population and the non-agricultural about 14 per cent of the town population.

Financial position.—The financial position showed a slight improvement. The working capital increased from Rs. 101.9 lakhs to Rs. 109.8 lakhs or by 8 per cent. The share capital increased from Rs. 12.3 lakhs to Rs. 13.5 lakhs, the deposits from members from Rs. 30 lakhs to Rs. 34 lakhs and from non-members from Rs. 20 lakhs to Rs. 22 lakhs and the reserve funds from Rs. 17.6 lakhs to Rs. 18.6 lakhs. Of the reserve funds, 21.6 per cent was invested outside the ordinary working funds. Owned capital formed 60 per cent of the working capital as against 59 per cent in the previous year, loans and deposits 37 per cent and debentures 3 per cent.

Loans.—The loans advanced during the year amounted to Rs. 29.6 lakhs as against Rs. 27.2 lakhs in the previous year. The repayments were Rs. 30 lakhs as against Rs. 28.4 lakhs, and the outstanding loans, at the end of the year, were Rs. 65.6 lakhs as against Rs. 66 lakhs. The overdues at the end of the year were Rs. 16.1 lakhs or 24.5 per cent of the outstanding loans as against Rs. 15.3 lakhs or 23.3 per cent. The increase of overdues is attributed to the unfavourable season in the Mehsana and Amreli districts.

The total value of non-credit work declined during the year mainly on account of the poorer cotton crop, from about Rs. 20 lakhs to Rs. 15 lakhs. The value of the seeds and produce bought or sold on behalf of members by agricultural credit societies was Rs. 1.2 lakhs and by agricultural banks, central banks, sale societies etc., about Rs. 14 lakhs. Compared to the total average value of the agricultural produce of the State estimated at Rs. 6.5 crores, this forms about 2 per cent.

Land Mortgage Banks.—There were two land mortgage banks in the State.

The Baroda Land Mortgage Bank continued operations all over the Baroda District, except in the Petlad and Bhadrans talukas. Its share capital increased by 6.2 per cent from Rs. 1.13 lakhs to Rs. 1.20 lakhs. Only one series of debentures has been floated, for Rs. 3 lakhs, to be redeemed after ten years. The investment in the debentures redemption fund amounted to Rs. 0.27 lakhs at the end of the year. The working capital of the Bank increased from Rs. 6.57 lakhs to Rs. 7.33 lakhs.

Fresh loans amounting to Rs. 0.95 lakhs were advanced to 54 persons. The total amount advanced since the beginning of the Bank in 1933 amounted to Rs. 7.80 lakhs for liquidation of debts amounting to Rs. 9.35 lakhs, the debts having been scaled down through conciliation by Rs. 1.55 lakhs. All instalments due during the year were repaid, the total amounting to Rs. 0.78 lakhs. The outstanding loans at the end of the year were Rs. 6.20 lakhs. The Bank's rate of interest on loans remained unchanged at 6 per cent. The net profit during the year was Rs. 19,632 as against Rs. 19,234 in the preceding year.

The Navsari Land Mortgage Bank, which began its work in the preceding year in six talukas of the Navsari district, extended its operations to the rest of the district. Along with this, the Debt Conciliation Act was extended to the whole district. The share capital of the Bank increased from Rs. 37,500 to Rs. 39,745. The Bank issued in 1939-40 its first series of debentures for Rs. 3 lakhs at 3½ per cent. Of these, debentures worth Rs. 1.5 lakhs were purchased by the public, their called up value being Rs. 1.0 lakh. The Government have agreed to purchase the remaining debentures and have made available to the bank a special loan of Rs. 1.0 lakh for advancing loans to the Raniparaj societies, to enable their members to redeem their debts. The working capital increased from Rs. 0.81 lakhs to Rs. 1.43 lakhs.

The Bank advanced loans to the extent of Rs. 0.78 lakhs out of which Rs. 0.23 lakhs were given for purchase of land. The total loans advanced by the Bank during the two years of its working, amounted to Rs. 1.0 lakh. Out of this, Rs. 0.77 lakhs were in liquidation of debts amounting to Rs. 0.95 lakhs, the debts having been scaled down by Rs. 17,500. No instalments of loans have yet become due. The net profit of the bank was Rs. 215.

The Government give the following concessions to these Banks:—

- (i) The repayment of the principal and interest of the debentures is guaranteed.
- (ii) Land valuation officers are lent to the Banks free of charge in the initial stages and a grant is given towards the expenses of management.

Central Banks.—During the year the Damnagar taluka bank was taken into liquidation and the Gandevi urban bank converted into a taluka bank. At the end of the year there were eight institutions actually working with 831 societies affiliated to them. These institutions finance only affiliated societies, but the Baroda and Mehsana Central banks have been permitted for three years to finance individuals, so that they may utilise their surplus funds. The Baroda Bank thus advanced Rs. 40,800 in loans to individual share-holders.

The working capital of these institutions increased from Rs. 16.03 lakhs to Rs. 16.92 lakhs or by 5.6 per cent. The share capital increased from Rs. 3.32 to Rs. 3.38 lakhs, the reserve funds from Rs. 2.76 to Rs. 3.02 lakhs, deposits from societies by Rs. 0.25 lakhs from Rs. 4.22 to Rs. 4.47 lakhs and other deposits from Rs. 5.53 to 5.58 lakhs. The banks at Baroda, Navsari, Mehsana, Damnagar and Petlad are allowed a cash credit of Rs. 4.30 lakhs by the Government. The Government have also sanctioned a deposit of Rs. 0.40 lakhs for 5 years to the Kodinar Banking Union.

The loans advanced during the year decreased from Rs. 4.17 to Rs. 3.87 lakhs. The decrease was due to the policy of refusing loans to societies under reconstruction, except under exceptional circumstances. The recoveries amounted to Rs. 4.65 lakhs and formed 42.3 per cent of the demand as against 42.0 per cent in the preceding year. The outstanding loans at the end of the year were Rs. 10.3 lakhs as against Rs. 11.0 lakhs at the end of 1939-40.

Non-credit work of Central Banks.—The Mehsana Central Co-operative Bank, the Damnagar bank and the Kodinar Banking Union continued the business of joint purchase of the needs and sale of the produce of the agriculturists. The Mehsana bank sold 250 mds. of cumin seeds worth Rs. 2,490 and supplied household requirements worth Rs. 3,014. The Kodinar Banking Union sold 20,392 mds. of seed-cotton worth Rs. 64,993 of 23 societies and 1,151 mds. of bajri worth Rs. 1,423 of 10 societies, 1,126 mds. of ground-nut worth Rs. 1,412 of 60 societies, and other commodities worth Rs. 460. Besides this, the Union supplied artificial manure, cotton and ground-nut seeds to its members. The Damnagar Bank sold 2,322 mds. of cotton of 23 members for Rs. 5,805.

Agricultural Banks.—The four Agricultural Banks of Bhadran, Amreli, Vyara and Songadh advanced loans to societies as well as to individuals. Their total working capital amounts to Rs. 7.67 lakhs, share capital Rs. 1.77 lakhs and reserves Rs. 1.01 lakhs. The lending rate of interest of the Bhadran bank was 6 per cent and that of other 6¼ per cent. These banks are allowed cash credit to the extent of Rs. 10,000 by the Government.

The banks advanced loans to the extent of Rs. 0.55 lakhs during the year as against Rs. 0.88 lakhs and recovered Rs. 1.16 lakhs or 30.4 per cent of the demand as against 25.8 per cent in the preceding year. The outstanding loans at the end of the year were Rs. 2.65 lakhs as against Rs. 3.26 lakhs at the end of preceding year. The Amreli and Vyara banks continued joint purchase of needs and sale of agricultural produce of their members and affiliated societies. The Amreli bank purchased and supplied to the members of various societies ground-nut (1,199 mds.) and cotton seeds (360 mds). The Vyara bank purchased and supplied 120 mds. of cotton seeds to 96 agriculturists and sold 62 mds. of grain of its members.

Agricultural Societies.—The number of societies was 1,026 but of these 185 or 18 per cent were under liquidation. The number of societies working during the year was 841 as against 862 in the previous year. Of these, 716 were credit societies as against 717 in the previous year. That the number was maintained was mainly due to the organisation of 22 new thrift societies. The non-credit societies declined from 145 to 125 mainly because of the liquidation of 22 societies for the consolidation of scattered holdings and four for rural reconstruction. The membership rose from 36,450 to 37,268 or by 2.5 per cent and the average membership per society to 36.2 from 35.5.

The working capital increased by Rs. 1.5 lakhs from Rs. 38.4 to Rs. 39.9 lakhs. Of this increase Rs. 0.76 lakhs were due to increase in deposits from non-members.

The share capital was Rs. 1.8 lakhs, the deposits from members Rs. 7.2 lakhs and reserve funds Rs. 12.68 lakhs. These showed an increase of 4 to 7 per cent. Loans from the Government (Rs. 0.50 lakhs) and banks and societies (Rs. 10.3 lakhs) showed a slight decline as compared to the preceding year. The decline in

the loans from banks during the year is slight, but compared to 1938-39, it amounts to 10 per cent, and possibly indicates a tendency to arrange for finances independently of the banks. The lowered rates of interest on loans advanced by societies were continued.

During the year loans of the amount of Rs. 11.75 lakhs as against Rs. 10.1 lakhs in the preceding year were given. As against this, loans amounting to Rs. 11.85 lakhs or 29.9 per cent of the total demand were repaid. The total outstanding loan at the end of the year amounted to Rs. 27.93 lakhs. The overdues increased from Rs. 8.98 to Rs. 10.93 lakhs and formed 35.7 per cent as against 31.9 per cent of the outstanding loans. The deterioration is ascribed to failure of commercial crops and fall in prices.

Reconstructed Societies.—Since 1933, when the policy of reconstructing societies was adopted, 168 societies have been reconstructed of which 8 societies were reconstructed during this year. Of these, 139 societies were indebted to banks and 29 societies worked with their own capital.

The dues of these reconstructed societies from members were Rs. 5.69 lakhs principal and Rs. 2.11 lakhs interest.

The instalments falling during the year came to Rs. 70,454 principal and Rs. 24,145 interest, against which Rs. 56,357 as principal and Rs. 27,393 as interest were recovered during the year. The collection of principal was 80 per cent of the demand. The repayments from the members in the Baroda and Navsari districts were good while those in the Mchsona and Amreli districts were poor, due to failure of crops. The societies wrote off Rs. 1,787 in principal and Rs. 11,593 in interest due from members, who paid their instalments according to the terms of reconstruction.

B. D. 8 cotton organisation.—The propaganda for the cultivation of B.D. 8 cotton through the societies was continued and four new societies were organised during the year. The number of societies working at the end of the year was ten. These are situated in the Dabhoi, Sankheda and Tilakwada mahals. They distributed 746 mds. of B.D. 8 cotton seeds to their members. The area under cultivation of this cotton increased by about 30 per cent over the preceding year and is now 6,151 bighas.

In the Karjan taluka, resource societies distributed 450 maunds of B.D. 8 cotton seeds to 124 members estimated to sow 4,500 bighas, an increase of 50 per cent.

Crop loans are given at 4 per cent, on condition that the produce is sold through the society. The scheme is under the supervision of an independent auditor.

Production and sale societies.—The production and sale societies increased from 41 to 45. Out of these 37 societies were for sale of cotton, two of ground-nuts, one of sugar cane, two for pure milk and ghee and three for sale of other agricultural produce.

Cotton sale societies.—The cotton sale societies collected 10,348 bhars of seed cotton belonging to 2,371 members. Of these 9,683 bhars were ginned and 665 bhars were sold unginned. Out of 7,680 bales of cotton, 6,936 bales were sold for Rs. 10.82 lakhs while the unginned cotton was sold for Rs. 0.80 lakhs. The total

realisation from the sale of cotton amounted to Rs. 11.62 lakhs. The prices of cotton fluctuated widely during the year, and in anticipation of higher prices some societies held over their stock, which remained unsold at the end of the year. Three societies did no work during the year. The turnover was about 40 per cent less than in the preceding year, both in the quantity of cotton collected and the sale price 10,000 bharas as against 17,000 and Rs. 11.6 lakhs as against Rupees 20 lakhs.

Non-agricultural societies.—The number of registered societies was 263 but of these 43 or 16 per cent were under liquidation. The number of societies working was 220 as against 225 in the previous year. Of these 179 were credit societies and of the remaining 21 were students' stores and 20 housing societies. The membership was 26,679, an increase of 1,100 members.

The share capital rose from Rs. 5.8 to 6.7 lakhs an increase of 15.5 per cent, the deposits from members from Rs. 23.2 to 26.7 lakhs, an increase of 3.5 lakhs. The deposits from non-members remained practically stationary at Rupees 6.6 lakhs, the loans from banks and Government declined a little. The reserve fund was Rs. 2.5 lakhs as against Rupees 2.6 lakhs in 1939-40. The total working capital rose from Rs. 40.4 lakhs to Rs. 44.4 lakhs or by 10 per cent.

Loans advanced during the year amounted to Rs. 12.2 lakhs as against Rs. 11.6 lakhs in the preceding year, raising the total outstanding to Rs. 33.3 lakhs. Repayments improved by Rs. 1.2 lakhs from Rs. 11.9 to Rs. 13.1 lakhs so that, inspite of the increased lending, the loans due were Rs. 20.1 lakhs as against Rs. 21.0 lakhs and those overdues were Rs. 2.9 lakhs as against Rs. 3.7 lakhs at the end of the preceding year. The percentage of overdues decreased from 17.6 to 14.5 per cent.

Central Co-operative Institute.—The Central Co-operative Institute continued its work as usual. Its membership rose from 782 to 1,081, out of which 600 are societies and 481 are individuals. The total amount of fees received from the members was Rupees 2,324. The institute conducted two classes for training secretaries of societies of the Navsari and the Amreli districts. Lectures with magic lanterns were delivered in 52 villages. The society continued to edit 'Gram Jivan' a monthly magazine dealing with co-operation, agriculture and other topics of rural interest. The Government paid Rs. 3,500 towards the expenses of the institute during the year. In order to make its work more effective in the districts, 9 taluka institutes affiliated to the central institute were organised.

Expenses.—The total expenditure of the department was Rs. 79,351 as against Rs. 73,316 in the previous year.

CO-OPERATIVE CONFERENCES AND MEETINGS

THE XXIX MYSORE PROVINCIAL CO-OPERATIVE CONFERENCE, MYSORE, 16TH OCTOBER, 1942

Extracts from Welcome Speech by Lokasevasakta Mr. C. S. Kuppuswami Iyengar, President, Mysore Co-operative Institute.

The Co-operative Movement in the State has passed through another year of stress and strain on account of the present war and the consequent unsettled conditions prevailing all over the world. At the end of the year 1941-42, our State had 1959 Co-operative Societies with a membership of 1,44,000 and a paid-up share capital of Rs. 54 lakhs as against 1956 societies with a membership of 1,45,000 and a paid-up capital of Rs. 53.12 lakhs in the previous year. The total working capital increased from Rs. 2.65 crores to Rs. 2.7 crores, the Reserve and other Funds from Rs. 48½ lakhs to Rs. 50 lakhs and the total turnover from Rs. 10 crores to Rs. 10½ crores. The netprofits, however, decreased from Rs. 4.1 lakhs to 4 lakhs.

It is gratifying to note that co-operative marketing has shown a steady improvement. An Agricultural Marketing Society at Chamarajanagar, a Cocoanut and Copra Marketing Society at Arasikere and a Paddy Marketing Society in the T. Narasipur Taluk have been formed. The Malnad Areca Marketing Society at Shimoga, the Ganjam Fig Marketing Society, the Dodballapur Co-operative Poultry Club, the Saklespur Bee-keepers' Society, the Cotton Society at Maradihalli, the Central Paddy Society at Mysore and the Saklespur Cardamom Society have provided good marketing facilities for their members.

The shortage of foodstuffs in the country has induced many Co-operative Stores to undertake the stocking and sale of essential food grains. A number of Credit Societies are also coming forward to render useful service in this field. The Government have been pleased to sanction a sum of Rs. 6 lakhs in order to provide credit facilities to Co-operative Societies for the stocking and selling of food grains. It is my earnest hope that Agricultural Co-operative Societies would also take an active part in the "Grow More Food" campaign.

In order to secure an effective control and supervision of the Societies, the Government have divided the State into eight Co-operative Divisions and placed each Division in charge of a Gazetted Officer. The charges of the Officers have also been redistributed so ensure that the Officers of the Department maintain an intimate touch with the Societies. The Official Liquidators have been formed into a separate agency on a territorial basis and each Liquidator is placed in charge of a definite number of Societies in a compact area. Another noteworthy activity connected with the Department was the holding of a Training Class for the benefit of the Inspectors of Societies.

We are deeply grateful to the Hon'ble Mr. V. Ramadas Pantulu for the honour he has done us in so very readily accepting our invitation to preside over this Conference. He needs no special introduction. Some of you perhaps personally know him, but all of us know him by his reputation. He is a veteran leader of the Co-op-

orative Movement in India. The All-India Provincial Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association of which he is the President, owe their inception and development to him. As President of the Madras Provincial Co-operative Bank and the Madras Provincial Co-operative Union for many years, he was in a large measure responsible for the development and expansion of Co-operation in the Madras Presidency. I need hardly say that his ripe knowledge and wide experience of the movement will be of invaluable help to us at this Conference.

Extracts from the Presidential Speech by The Hon'ble Mr. V. Ramadas Pantulu, President, All India Co-operative Associations.

We, as co-operators, are, not concerned with the politics of war or the war of politics. Nevertheless, we as the apostles of a new economic system which aims at securing equal opportunities in life and a just distribution of the fruits of national labour to all sections of the community, in other words, desire a co-operative solution of the economic problems of life, assume an *economic democracy*. But as Dr. C. R. Fay says in his survey of co-operation in the Colonial and the Tropical parts of the British Empire, "You cannot have economic democracy without some degree of political democracy." We therefore hope and trust that the talks of new world and social order will not remain mere slogans of the wartime and that in the post-war reconstruction and the implementing of the aims and ideals of the promised new world order, the legitimate claims of India to achieve political freedom and to play her proper role among the self-governing nations of the world will be unequivocally advocated and upheld.

War and the co-operative movement.—I believe that along with the rest of India, people of Mysore are hit hard by the sharp rise in the cost of living—the ever increasing disequilibrium between the prices of primary products and manufactured goods. By prices of primary products, I mean the prices obtained by the rural producers and not those paid by the urban consumers. There is substantial difference between the two and it is intercepted by numerous intermediate profiteering agencies. The producer who thus gets less than his due share of legitimate price for his products is at the same time the biggest consumer of manufactured goods, for 80 to 85 per cent of our population are producers living in the villages. We always hear of fixation of maximum prices, a ceiling for the prices paid by the urban consumers. But is it not equally necessary to fix a minimum price to be obtained by the primary producers—a floor? But we hear little about it. Though the conditions of the United States of America are in many respects dissimilar to those of India, the principles adopted by President Roosevelt in stabilising the food bill furnish us good guidance. He not only insists on a price ceiling so as to prevent unreasonable profits, but also a floor for wages and farm prices. It is said that while prices *received* by farmers had risen by 85 per cent from August 1939 to August 1942, that *paid* by farmers had risen only by 23 per cent. I hope our Central, Provincial and State Governments will also fix a *minimum* for wages and prices for farm products so as to ensure that our workers and peasants are "free from want." The Government should purchase, in the producing centres at minimum prices if the internal price structure collapses.

I hope co-operators of Mysore will institute enquiries into the effects of the present war on co-operative organisation. An investigation of this problem is of

utmost importance not only to find out how far and in what directions our co-operative societies can be utilised to meet the situation created by war economy but also to ascertain the place of co-operative organisation among "the agencies whose present activities in the social and economic field affect the conditions under which post-war programmes will be carried out," a problem on which the International Labour Office, Montreal, has started an important enquiry in which the Indian Co-operative Movement is invited to have its say.

Co-operation in Mysore—Its Achievements and Problems.—It is a matter of gratification to me to be able to say, as a result of my comparative study of the co-operative movement in the the several provinces and states in India, that on the whole the progress of co-operation in Mysore is satisfactory. Taking the movement as a whole, you had at the end of the year 1941-42, 1,959 societies with a total membership of 1.44 lakhs, a paid up share capital of Rs. 54 lakhs and an aggregate working capital of Rs. 2.74 crores. Their turnover and net profits during the year amounted to Rs. 10.5 crores and Rs. 4 lakhs respectively. This is indeed an encouraging record. But what has been achieved is little compared with what has to be achieved yet. Your state has a population of 7.3 millions with 16,500 villages. You have covered not more than $\frac{1}{5}$ of the Rural Mysore and touched about 2 per cent of the population. I however feel, from the manner in which you are progressing, that you are on the way to achieve greater results in the near future, and will soon embark on a 5 or 10 year plan to so expand you movement as to bring every one of your 16,500 villages within the area of operations of a co-operative society just as you have done in the case of your village panchayats of which you now have over 12,000. In this connection I wish to draw attention to the scheme of expansion recommended by the Standing Committees of the All-India Co-operative Associations at their Bombay session held in January 1941.

Your Provincial Co-operative Apex Bank has now assumed the role of the chief financing agency of your credit societies, so far as short and intermediate term credit is concerned. As a result of the line of development of your credit organisation and in the light of experience gained by you, you have decided to eliminate the central banks from the role of intermediaries between the Apex Bank and the societies. In this matter you have created a position similar to that of the British province of Sind where the experiment has proved a success. 1,074 societies are already affiliated to the Apex Bank and I believe; they constitute the bulk of the rural and urban credit societies. The Apex Bank has now a paid up share capital of Rs. 2.5 lakhs, a reserve fund of over Rs. 1.86 lakhs and a working capital of nearly Rs. 30 lakhs. We may estimate the annual financial requirements of those who pursue agriculture and allied occupations at about Rs. 10 crores, roughly a third of your estimated total indebtedness. This sum, in my opinion, represents the amount of capital and credit borrowed and repaid every year. Our ideal is that the co-operative credit organisation should supply this finance. So your Apex Bank has so far not touched the fringe of the problem.

It is too early to say whether the present system will satisfy your requirements when you so expand the movement as to extend the benefit of co-operative credit to every village in the state by displacing the moneylender who is still the supplier of the bulk of rural finance. Even long before you attain that position, you may find it necessary either to establish branches of the Provincial Co-operative Apex

Bank at convenient centres or some well organised central banks to finance adequately and promptly the large number of societies that may come into existence. The need, at a later date, for central banks may arise for other reasons as well. However impressive the figures relating to the transactions of your Apex Bank may be from the quantitative standpoint, we cannot overlook the fact that the percentage of overdue to the total outstandings was as high as 75.7 at the end of 1941-42. No banking institution can contemplate with equanimity a situation in which such a large percentage of its assets is involved in overdue loans. So far as I am able to see, there are no dependable estimates of bad and doubtful debts, a feature common to other provinces and states. In the absence of central banks the entire financial shock has to be absorbed by a single Apex Institution. The existence of central banks will minimise the risks of such an overdue position by their absorbing a great portion of the shock, whose intensity will otherwise be felt in its entirety by the Provincial Bank.

Your Central Land Mortgage Bank has indeed made notable progress since its inception in 1930-31, under the able guidance of Mr. K. R. Srinivasa Iyengar and his successor your present President. You have now 65 land mortgage societies, 61 of which were affiliated to the Central Land Mortgage Bank, at the end of 1941-42. The Central Land Mortgage Bank had a paid up share capital of Rs. 1,38,700, reserve and other funds amounting to Rs. 47.5 thousands and a debenture capital of Rs. 15.1 lakhs at the end of 1941-42, and the Bank disbursed loans to the extent of nearly Rs. 19 lakhs from its inception. The rate of interest paid on debentures has been brought down from 5 to 3½ per cent and they are now being issued at a premium of 1 per cent. I hope that the position of your debentures will further improve when you start your sinking fund or debenture redemption fund in July next, as contemplated by your Government. Then it may be possible for you to float future issues at even three per cent. Now that the Bank is able to get its debenture money at a considerably reduced rate, I hope you will find it possible to reduce your present lending rate to the land mortgage societies which, I believe, is 6 per cent, so that the ultimate borrowers may get the benefit of the reduction. Creditable as the record of progress is, we cannot forget the fact that, while the rural indebtedness of your state is estimated at over Rs. 30 crores, you have so far been able to provide Rs. 20 lakhs by way of long term credit mainly for the purpose of discharging prior debts. I hope that the operations of the debt conciliation boards, administration of the debt relief Act and the working of the land mortgage banks, if properly co-ordinated, will relieve the situation to a great extent. In this connection, I must say that the real purpose of a long term loan is to increase the income and the purchasing power of the agriculturist by a judicious investment of the loan on substantial improvements of his holding. Little attention is now paid to this aspect of the problem and the machinery of the land mortgage banks is being almost exclusively used for the redemption of prior debts all over India wherever these banks are working. I hope Mysore will set an example to other provinces and states by utilising the services of these banks to bring about an improvement in the agricultural industry itself and thereby converting agriculture which is now a deficit economy into a surplus economy. In view of these special and onerous responsibilities of land mortgage banks, it is worthwhile considering whether it is necessary for your Central Land Mortgage Bank to advance short term loans as well to mortgage societies and individuals directly. After all your fresh annual business under this head seems to be negligible for it does not exceed three to five

thousand rupees a year roughly and you will lose nothing by shedding it. Speaking for myself I do not consider this to be a healthy line of development.

The *urban* credit movement in your state has had a brighter record than your rural credit movement for a long time. At the end of 1940-41 you had 329 urban credit societies as against 1,339 rural credit societies. But with a membership of over 55,000 and a working capital of about Rs. 133 lakhs they have made considerable headway over the rural credit societies which have only a membership of about 58 thousand and a working capital of about Rs. 50.4 lakhs, though their number is four times that of the urban credit societies. These urban societies are expected mainly to advance loans on personal securities. But it is said that as personal security has proved unsafe, tangible security is now demanded in many cases. The utility of this class of societies largely depends upon their ability to finance the small trader, the artisan and the petty industrialist who works in his home. It will be useful to publish statistical information regarding the classes of persons financed by these societies, the purposes for which loans are advanced together with a statement assessing the economic benefit derived by the borrowers.

I find that your Government recently embarked on certain reforms, which to some extent interfere with the freedom of these societies, which naturally evoked strong protests from urban co-operators. It will be interesting to know how far this increased interference with the autonomy of these societies and the exercise of the powers vested in the Registrar to appoint auditors for the bigger urban societies and to suspend or supersede the committees of societies and appointing a sole director (dictator) in their places have helped to strengthen the urban credit movement. But my experience of similar measures of increased official control elsewhere in India shows that far from having a salutary effect they have had deleterious effect and crushed the spirit of initiative and sense of responsibility among the members. I wonder whether they had a different effect in Mysore. The faith of Provincial and State Governments in the efficacy of ever increasing powers of control, direction and interference of the departments and in spoon-feeding is indeed pathetic. Your Minister for Law, *Rajamantrapravina A. V. Ramanathan*, who presided over the Conference last year aptly put the position in a nut-shell. He said: "To me it looks as if this attempt to secure the development of co-operation through all-powerful Department is like seeking to promote democracy by totalitarian methods. Departmentalism kills initiative and enthusiasm. Growth is possible only in an atmosphere of liberty and freedom." I entirely agree with this view and respectfully commend it for the consideration of your Government.

In regard to your *consumers' movement* again your state has made commendable progress particularly in the cities of Bangalore and Mysore. In fact the movement is concentrated in these two cities, particularly in Bangalore, where alone, I understand, 8 stores account for about 2/3 of the sales for the whole state. The only big store outside these two cities is the Bhadravathi Society. The total sales of all the seventy and odd stores in the state, however, are under Rs. 20 lakhs a year.

The store movement in your state shows marked deviations from the orthodox Rochdale principles of cash trading, sale at market price and dealing only with members. But I am glad to find that steps are being taken to restrain as much as possible the effect of these variations by encouraging cash sales in practice, limiting credit to a member to a certain percentage of his paid up share capital or other assets and generally to reduce the chances of losses arising from these deviations. As the system

has worked fairly well all these years, I do not think that orthodox co-operators should make any fetish of the Rochdale principles. Indeed, I have noticed similar deviations from those principles in some of the stores in European countries and they were none the worse for the little liberty that they took in this matter. I now find that some of your consumers stores have practically converted themselves into retail shops for the general public in the matter of stocking and sale of essential food grains to meet the exigencies of the war economy. Such services in times of national emergency are, no doubt, valuable but the most suitable way of meeting the situation will be to enlarge the membership of your stores. There is no limit to such membership in any country and it is up to us to work for the ideal of making every consumer in the locality a member of our store. Sale to non-members need not be altogether banned, but it should be confined to the narrowest limits and every non-member who buys from the store must be induced to join it as a member. It requires considerable propaganda of a constructive nature. The spread of the consumers movement on right lines will depend on the success of such propaganda. There is considerable scope for extending the benefits of the store movement to industrial workers. It is true you have societies like the Mysore Mill Society, the Minerva Mill Society and the Bhadravathi Society which cater to the workers. But much more can be done in your industrial areas having regard to the rapid progress your state is making in industrial development. I consider one of the main reasons for the consumers store movement not making much headway in India is that it still largely remains a middle-class movement and not a working-class movement as in the West. So the ideals of the consumers movement can be realised only when you are able to make it a working-class movement. Efforts in this direction are well worth making.

The development of *co-operative marketing* of your agricultural produce and products of your producers' societies has not attained any tangible proportion in your state. The working of the Malnad Areca Marketing Society is certainly encouraging. The experiments you are making in regard to paddy, figs, poultry and honey also hold out promise of such development. The economic benefits of improved and organised production are virtually lost by unorganised and chaotic practices of marketing and therefore organising marketing is no less important than organising production.

In the course of this brief and cursory survey of the progress of the movement in your state I have made some observations and thrown out certain suggestions on some aspects of the working of your institutions. I have not done so on any theoretical considerations, nor am I a believer in uniformity in the structure, functions and business methods of co-operative organisations in the several provinces and states. On the other hand after a close study of the movement in the several regions of this vast country which are characterised by peculiar features of their own, I have come to realise that co-operative organisations in India have in some cases sprung up more largely as practical solutions of peculiar local difficulties and were not always conceived at their inception as embodiments of some definite theory of economic organisation. So, if the features you have developed are, in your opinion, suited to your peculiar conditions, it is not for me to ask you to abandon or modify them. All that I desire is a due consideration of my view point in regard to them as coming from a serious student of the problem and a collaborator with you in the same field.

Employees of Co-operative Institutions.—I find on your agenda paper an important resolution bearing on the conditions of service for employees of co-operative

societies. The subject is one which has been long neglected by the provincial and state governments who are solely engrossed in expanding their own official agencies and improving the conditions of service of the departmental staff. It has not been so far realised that attempts to impart vigour and health to the co-operative movement by administering larger doses of administrative control will not avail, particularly if the efficiency and tone of the paid services in the co-operative institutions are not improved. We must have contented, qualified and effective service in our institutions and such service cannot be ensured without guaranteeing security of tenure and reasonable terms of employment in regard to pay, promotion and prospects. I am in full agreement with the object of the resolution. In fact I moved a resolution at the meeting of the Standing Committees of the two All India Co-operative Associations held in Bombay in January 1941 which is, almost in identical terms with that of which notice is given to this Conference by the Mysore Co-operative Staff Association. The resolution was unanimously accepted by the Committees. You have further the support of the unanimous recommendations of the Madras Committee on Co-operation which are more or less in consonance with the demands put forward in the resolution on the agenda. I hope your Apex Institutions will give the necessary lead on this question by framing rules or bylaws to give effect to the measures suggested in this resolution, in regard to their own employees. Such a course of action will not be in conflict with your by-laws or the Act or the Rules thereunder. So it is for your Provincial and other major institutions to set the example so as to prepare the ground for the desired legislation.

Education and Propaganda.—I congratulate the Mysore Co-operative Institute on the good work it is doing in the sphere of education and propaganda which I consider to be the very life breath of the co-operative movement. I am glad to hear that there is happy co-operation between the government and non-official bodies in regard to this all important activity. Your training courses and the activities of the District Honorary Propaganda Officers, if properly directed, may have favourable reactions on the development of the movement on right lines to a certain extent. But the syllabuses that are drawn up by the authorities for use in co-operative training institutions are largely based on models more suited to train men in competitive profiteering business or fit them to subserve the ends of the employer. This was certainly not the educational ideal of the early co-operators nor is it the main aim which is now pursued in the free countries in the West. Therefore I feel that the present arrangements to train our employees for the discharge of their day to day duties alone will not suffice. Functions like collection, distribution, book-keeping and remittance in co-operative institutions are not after all mere matters of dull routine. The coin which is behind it will alone not provide the necessary healthy stimulus. Men without a touch of co-operative ideology and a higher urge behind them cannot discharge those functions with an exalted sense of duty.

Our objective, which has not so far been achieved, should be to create or foster among our members and employees the spirit necessary to help the reconstruction of our social and economic structure through co-operation and to produce teachers of co-operation who can train men and women to live the conscious life of a co-operator, consciously. In order to achieve this aim, we must expand the scope of our educational activities and organise suitable institutions. I, therefore, earnestly hope that your government will recognise the need for the establishment of a central co-operative educational institution—an academy or college, to impart higher

instruction in the principles as well as practice of co-operation besides providing facilities for research. It must work in an academic atmosphere.

Future of the Co-operative Movement.—Co-operation as we see it to-day is not really associated with our national life in any sphere of action. I have not found evidence in any province or state in India of any genuine effort on the part of the governments to utilise co-operation for the reconstruction of our rural or urban economy. Indeed they seem to have no faith in its potentialities. When I read accounts of the use to which co-operation is put in promoting collective farming and organising small scale industrial production as, for instance, in Palestine and China, I often wonder why the governments in India are so oblivious to the benefits of co-operation as the most effective among the agencies for the organisation and development of our agriculture and cottage industries.

I, however envisage the time, not in the distant future, when co-operation will cease to be an isolated departmental activity but will become an integral part of national planning both in British India and Indian India. The aim of the movement will then be to generally improve the economic condition of the masses and to increase their income and purchasing power. Many economic factors now impede the progress of the co-operative movement. Increasing dependence of the population on agriculture, decline of rural industries which once furnished subsidiary occupations, oppressive burden of land taxation, uneconomic and unscientific system of land tenures, helpless dependence on overseas markets for the disposal of our raw materials and supply of finished goods and similar disabilities have contributed largely to the economic debility of the agriculturist and to his chronic poverty. Co-operation can obviously make no real progress in such an environment. In the removal of these impediments, co-operation ought to play a large part in any well conceived plan of action in nation building by an enlightened state.

I have no misgivings about the future of co-operation in Mysore. Your state has a variety of resources, plenty of opportunities for work and ample prospects of development. If to these material advantages you bring the aid of the will to put into practice the principles and ideals of co-operation, there is no reason why the co-operative organisations which you may build up should not contribute to the social, political and economic advancement of the people of Mysore. Above all you have at the head of the state your present Maharaja, who, like his illustrious uncle whom he succeeded, identifies himself with the good of the people and patronises and promotes every progressive movement that makes for the material and moral advancement of his subjects. So His Highness is sure to accord to the co-operative movement the rightful place that it deserves in your schemes of national planning based on the new world ideals of social and economic justice to all sections of the community. I hope and trust that in his time Mysore will attain the full stature of a democratic state in which the people will enjoy in the fullest measure civic freedom and opportunities for self-expression. May God Almighty vouchsafe to the Mysore House a long and unbroken line of constitutional rulers to reign over the state—a land of enchantment and enlightenment. In such free and self-governing Mysore a new generation of men and women shall arise "With flame of freedom in their souls and light of knowledge in their eyes."

Resolutions passed at the Conference.

1. (a) That the Mysore Co-operative Institute be requested to form a Committee, with powers to add two more when necessary, consisting of: (1) The President of the Co-operative Institute (Ex-officio Chairman), (ii) a Representative of the Stores Societies in Bangalore City, (iii) a Representative of the Stores Societies in Mysore City, (iv) a Representative of one of the Factories Employees Co-operative Stores outside the cities of Bangalore and Mysore, and (v) one of the Secretaries of the Co-operative Institute who will also be the Convener, to recommend after investigation not later than the 15th November 1942 such steps as are necessary to strengthen and expand the Co-operative Stores Movement in the State under the favourable circumstances created in consequence of the present world war;

(b) That the Consumers' Co-operative Societies be requested to contribute liberally to the fund allotted by the Institute to meet the expenses of the Committee which shall be fixed on the minimum scale.

2. That the Government be requested to arrange for the supply of goods manufactured in the Government concerns and other Factories direct to the Co-operative Stores instead of directing them to purchase the same through the sales agents.

3. That the Government be requested to direct the Railway authorities to give to Co-operative Institutions special facilities such as first preference in the despatch of goods from other places and concession in the rates of booking.

4. That this Conference requests the Government to permit Co-operative Land Mortgage Societies to elect their Presidents and Secretaries from among non-officials wherever possible and to restrict the application of Government Notification No. D. 795-7-70. L. M. 13-346 dated 24-6-1925 to places where proper non-official workers are not available.

5. That the Government be requested to introduce legislation to amend the Mysore Co-operative Societies Act so as to compel the creditors of loan applicants of Land Mortgage and other Co-operative Credit Societies to furnish all the details required by the investigating officers on the lines of the Madras Co-operative Societies Act.

6. That the Government be requested to appoint representatives of Land Mortgage Co-operative Societies to the Boards of Debt Conciliation.

7. That the Government be requested to arrange for the financing of House-building Co-operative Societies at rates of interest not exceeding 4 per cent.

8. That in the case of Limited Liability Co-operative Societies which have built up the Reserve Fund exceeding the share capital, the statutory minimum contribution to the Reserve Fund be reduced from 25 per cent to 12½ per cent.

9. That Rule 18 of the Rules under the Mysore Co-operative Societies Act be amended so as to limit the rates of dividend payable on shares in all Co-operative Societies to 6¼ per cent.

10. That the Government be requested to try Collective Co-operative Farming in order to examine its possibilities in improving cultivation and to set apart 500 acres of land for the purpose.

11. That Paddy Marketing Co-operative Societies be started in paddy-growing centres.

12. That this Conference is of opinion that the amendment proposed by the Government to Rule 21 of the Rules under the Mysore Co-operative Societies Act is opposed to the fundamental principles of Co-operation and requests the Government not to introduce the proposed amendment.

13. That facilities free of payment be created for co-operative institutions for making search of the attachment registers in Civil Courts.

14. That the period of limitation applicable to Co-operative disputes be doubled as recommended by the Co-operative Enquiry Committee of 1936, by adding a suitable section to the Co-operative Societies Act.

15. That instead of giving priority to old loans in the matter of attachment of salaries of government employees, arrangements be made to distribute the attached amount among all the creditors *pro rata*.

16. That the Government be requested to introduce legislation for making provision for recording all attachments on immoveable properties by Civil Courts in the books of the concerned Sub-Registrar's Office having jurisdiction over such properties.

17. That this Conference requests the Government to amend Rule 16 of the Rules under the Mysore Co-operative Societies Act by adding "through the said agency" after the words "2½ per cent on the amounts realised."

18. That the Government be requested to amend Rule No. 16 (x) Note II of the Rules under the Mysore Co-operative Societies Act as follows:

"on every dispute.not exceeding annas eight per dispute."

The following three Resolutions were referred to the Working Committee of the Mysore Co-operative Institute for Report:—

1. That this Conference requests the Government to introduce legislation for the amendment of Section 44 (2) of the Mysore Co-operative Societies Act so as to add the following clause:—

"(v) Prescribe the conditions of service for employees of co-operative societies."

2. That the following Rule be added to the Rules under the Mysore Co-operative Societies Act:—

"Rule No. 38. The essential conditions to be observed by Co-operative Societies employing whole-time or part-time servants shall be as under:

(a) There shall be an agreement of service as between every employee of the Society and the Society concerned governing the terms of service, pay and prospects and such other matters as are vital to the prospects of each employee;

(b) Every society shall frame subsidiary rules regarding leave, provident fund, security deposit and the number of working hours as they should apply to their employees and such subsidiary rules shall not ordinarily be replaced, amended or altered without hearing the staff on the proposals.

(c) No employee shall be either dismissed or suspended for a period exceeding seven days in the aggregate during a calendar year unless the proposal is supported by the votes of a majority of not less than two-thirds of the total strength of the Committee and the party aggrieved shall have right of appeal to the Registrar. Before any employee is dismissed or suspended as aforesaid, his written explanation shall be obtained after granting him sufficient time to give the same, finding recorded in full and the copy of the order served on him prior to his discharge from his office.

3. That the Government be pleased to introduce legislation to amend Section 43 (a) (i) of the Mysore Co-operative Societies Act so as to omit the following words printed in brackets:

"Other than a dispute regarding the disciplinary action taken by the Society or its Committee against the paid servant of a Society."

EXTRACTS

Emergency Services of the T.U.C.S., The Review of International Co-operation, Sep., 1942.

Largest Indian Consumers' Society Takes Over War Emergency Food Supply in the City of Madras. Vast and highly important new functions have been assigned by the Government of Madras Presidency to India's oldest, largest and best developed Consumers' Society, the Triplicane Urban Co-operative Society at Madras. Fulfilling these functions the Society has rendered invaluable services to the whole population of the City of Madras and stood the test of a serious emergency situation extremely well. In December, 1941, after the outbreak of the Far Eastern War, the Government of Madras invited the Society to undertake the supply of essential foodstuffs to the population of Madras, non-members as well as members, during an emergency that might arise as a result of the spread of the war. It was, of course, clear that the Society which normally was supplying about 5 per cent of the city's three-quarter million inhabitant through its 33 stores, would not be able to fulfill the immense task of feeding the whole population if it had to rely on its own financial resources, distributive, warehousing and transport facilities, and on its own staff. Government help and support on a large scale were required and liberally given: The Government undertook to provide the funds for the purchase of stocks and for the extension of the retailing, warehousing and transport facilities, to pay the rent of the new premises, the wages for additional employees and other additional charges, to help with transport vehicles and to assist the Society in many other ways. But although the Society thus functioned largely as a Government agency, when the testing period came in April, 1942, after the Japanese conquest of Burma, the success of its efforts during that critical month were primarily due to the skill with which it applied its co-operative experience to the new situation, and to the high ethical standard of its co-operative business practice which prevented the exploitation of the masses of the consumers in an extremely difficult supply situation when all normal retailing and wholesaling business activities had broken down, and speculators and unscrupulous elements would have had every opportunity to dictate the prices to the consumers.

When the threat of Japanese attack was growing in April, 1942, a very large section of the population of Madras was evacuated or left the town, so that by the third week in April only 25 to 30 per cent of the normal population remained. Almost all retail shops, selling stalls, restaurants and other catering establishments were closed and the bazaars were deserted. The few retail business that tried to carry on had the greatest difficulties, as practically all wholesale merchants had closed their businesses, and imports of grain and other foodstuffs from Burma and Malaya had completely ceased. The Madras Society at once sprung into action to save the city's population from starvation: Twenty-five new depots were opened in all the districts of the town, and the 33 existing branches opened their doors to all consumers in their districts. This extension of its activity presented great problems to the Society as the Co-operative shops, open only to members, had so far almost exclusively served the middle classes which constituted its membership. The selection of goods and the price policy of the Society were based on the needs and quality standards of the middle classes, and the price level in the Co-opera-

tive stores was, on the whole, fairly high as only high-class goods were sold. The business tradition and practice of the Society had to be radically adjusted to enable it to cater for the masses of consumers, new employees had to be trained in a few weeks, new shops equipped, large stocks supplied and evenly distributed, transport provided, &c. Although the Government had accumulated large stocks of about 15 "essential articles," the demand of the buying public was far heavier and wider than anticipated. During the actual emergency period the Co-operative stores had to restrict their sales to any customer to a maximum of Rs. 5 at a time, but, on the whole, they were able to replenish their stocks rapidly and after a short time there was practically no shortage anywhere in spite of heavy demands.

Mr. K. C. Ramakrishnan in an article in the May issue of the *Madras Journal of Co-operation*, characterises the price policy of the Madras Society during the emergency period, as follows: "The greatest service that was rendered by the T.U.C.S. for which the public, the poor people in particular, would gratefully remember the Society is the absence of any element of profiteering in the prices charged by it, even though it had the practical monopoly of customers for some days, and even after that competition was confined to a few shops. The retailers resorted to profiteering in commodities of which they held stocks, but of which there was a general scarcity on account of transport difficulties. The Society did not raise the prices except to the extent occasioned by the higher cost of purchase and of transport of certain commodities of which it had not held sufficient stocks. The Society has had to give up the Rochdale rule of 'sale at market price and to fix its selling price with a margin over cost price—which is neither feasible nor desirable in normal times.'

The effect of the successful emergency experiment on the future development of the Society can, of course, not yet be foreseen: "We are not sure," writes Mr. Ramakrishnan, "whether, when normal conditions return, the big buyers at the one end and the very poor at the other end, who are now obliged to patronise the Society, will cling on to it. If at least the latter discover that they have been paying really extravagant prices for the inferior articles they had been buying in small quantities, especially for credit, and realise that they stand to gain definitely in the moral as well as material sphere by buying their requirements in a co-operative store, it will be a great gain to the Consumers' Movement."

The story of the Madras Society can be supplemented by many other examples of Co-operative Societies helping in the war effort. A well-illustrated brochure recently issued by the United Provinces Co-operative Industrial Federation at Lucknow, shows the part played by the Weavers' Co-operative Societies of that province in the mobilisation of the cottage industries for the war-effort. The effect has been two-fold: not only has it been possible greatly to increase the supply of certain essential materials, such as blankets, camouflage nets, &c., to the defence forces, but also the scope of co-operative activity has been widened and a certain degree of prosperity brought to sections of the population which in recent years have lived under a severe depression and have experienced great hardships.

AGRICULTURAL CO-OPERATION IN CANADA.

Statistics recently published by the Economics Division Marketing Service of the Department of Agriculture at Ottawa show that there were 1,395 Marketing and Agricultural Societies in Canada on 31st July, 1941, which operated in 4,005

places of business. Their total trade in the crop year 1940-41 reached \$242,158,805. Sales of farm products accounted for about 90 per cent—\$215,000,000—while sales of farm supplies amounted to \$25,895,374. There was a certain amount of trade with non-members, the number of patrons, 507,223, being about 13 per cent above the membership of 451,685. The Province of Saskatchewan is the most advanced of the Canadian provinces as far as Agricultural Co-operation is concerned; it has over one-third of all societies—479—and their membership—193,200—is about 43 per cent of the total Canadian membership, while they accounted for about a third of the total business. In membership and business Alberta comes second, its 72 associations representing 69,044 members and a total trade of \$40,983,000. Manitoba follows with 52,716 members; but the trade of its 72 associations—\$22,089,000—was smaller than that of Ontario's 188 associations with 40,054 members, which reported a total trade of \$32,662,000. Quebec's 361 associations are on the average smaller than those in the other provinces, representing a total membership of 26,841 and a trade of \$21,943,000. Membership in British Columbia, Nova Scotia, Prince Edward Island and New Brunswick was between 6,000 and 15,000, with corresponding variations in the trade figures. There were also 6 Inter-Provincial Unions operating in 470 places of business, with a membership of 28,827 and a total trade of \$29,437,000 in 1940-41.

Co-operative News Service, 12th August, 1942.

REVIEW OF THE CO-OPERATIVE MOVEMENT IN INDIA, 1939-40.

This brochure, published by the Reserve Bank of India, is a lucid and excellent summary of the new trends of the Co-operative Movement in different parts of India. It provides valuable data for comparing co-operative work in the different provinces. One interesting feature that has emerged from the recent debacle is the growing popularity of the idea of the multi-purpose society. More and more it is being realized that the future co-operative organization in the village should deal with the whole man, and integrate farming, credit and marketing. In several provinces where multi-purpose societies have been started they have proved very efficient. Some provinces have already converted co-operative societies into multi-purpose societies by amending their by-laws. Crop loan societies have also been running in several provinces, notably Bengal and Berar, and have filled successfully the gap created by the freezing of the prevalent credit machinery. In Europe this kind of loan is called 'green credit'.

One would expect that such an authority as the Reserve Bank would give a lead to the Co-operative Movement as regards its future pattern. If the major weakness of our Co-operative Movement has been the lack of co-ordination between finance and marketing, the agricultural credit society even if it continues to have unlimited liability should be safeguarded by provisions making it illegal for its members to dispose of the crops before meeting the dues of the society. The English Agricultural

Credits Act, 1928, contains such a provision. In South Africa the law lays down that where in any area 75 per cent of the producers are co-operatively organized and handle 75 per cent of the product the Minister may, at the request of such organization, prescribe that all producers of that agricultural product within that area shall sell their product through the co-operative society or company. Without some kind of compulsion like this neither the ordinary credit society nor the multiple-purpose society can succeed in the rehabilitation programme.

In Europe several countries have created rehabilitation funds and distributed subsidies among the distressed farmers to restore them to solvency and enable them to meet mortgage and fiscal charges. Governments have also undertaken to pay a part of the repayment instalments payable by the farmers. In India it is worthy of serious consideration whether a rehabilitation or amortization fund could be created out of taxes on industry and the professions, the resources of which could be utilized both for subsidy to distressed farmers and the conversion of debts and repayment to co-operative societies and moneylenders, the latter renouncing a part of their credit.

In other countries the central bank has provided assistance to agriculture and the Co-operative Movement on a scale which is not available for them in India. The sooner the Reserve Bank attains flexibility enough to bring within its ambit the co-operative credit structure, the better it is for agriculture and the general economic life of the country.

—*Indian Farming.*

GREETINGS TO CHINESE SISTERS!

News from CHINA shows that both the Industrial Co-operatives and the Consumers' Movement are helping the country to become economically self-sufficient and mitigating the great sufferings war has brought to the dauntless Chinese people. The first National Congress met in Chungking in April, when the capital was constantly in danger from bombing. It adopted a Three Year Plan and laid down the principles which must govern the educational activities and the relations between the members. Great importance is attached to the role of women, and a Women's Committee has been set up to organize Guilds among the consumers. There are nearly 10 million co-operators in China, and the societies are of many different types including over 2,000 consumers' and more than 12,000 productive. A recent letter from the Director of Indusco says how glad the Movement is that the I.C.W.G. is associated with the Anglo-Chinese Development Society and how much the interest of Guildswomen is appreciated by all the Chinese co-operators. The Industrial Co-ops. have a membership of about 25,000, but over 500,000 people are affected by the employment created. Monthly production is now about 25 million Chinese dollars, and within the next six months it is hoped to double membership and triple production. Indusco's aim is 'not only to make Chinese Industrial Co-

operatives a strong economic arm of resistance but to ensure that co-operatives will become a vital and permanent part of China's new post-war economic and social structure' Greetings to all our Chinese sisters. We all admire the work they are doing and the way they are serving their country and democracy and we look forward to very close collaboration when the war is over.

—*International Co-operative Women's Guild Information Bulletin September 1942.*

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CO-OPERATIVE NEWS AND NOTES

The relief obtained by the Agriculturists in Madras by the working of the Agriculturists' relief Act was set out in a recent Press Communiqué. In the 55 months that expired with 30-9-42, the number of applications disposed off under the Act was 1,83,008. The amount of debts involved was Rs. 7,32,43,079. This amount was reduced to Rs. 3,90,86,517. Thus in the 4 years and 7 months that elapsed since the commencement of the working of the Act, the agricultural debtors in Madras obtained relief to the extent of 3.4 crores of rupees under the Act.

* * * * *

Great Britain is evolving a comprehensive plan of complete compulsory state insurance against every form of personal want and insecurity. To this social insurance fund, the employers, the employees and the State will contribute. The workers' contribution is forecasted about 5 shillings weekly per head. The scheme is likely to impose an annual burden of about £500,000,000 on the British tax-payer leading to a permanent loan on incometax of 7 or 8 shillings in the Pound. The scheme will also offer a challenge to Insurance Companies, friendly societies, and all who oppose nationalisation of social security. Sir William Beveridge's report on the scheme which is recently published has been well received.

* * * * *

The Bihar Government has decided to close the Rural Development Department which was established by the Congress Government for the time being. The Government resolution states:—"A very large portion of the staff of the department resigned in sympathy with the Congress movement and some centre has been actually used for subversive activity during the recent disturbances with the result that the work in other centres is practically at a standstill. In view of the difficulty of training a fresh staff and reorganising the centres in the present emergency, the Government have no other alternative."

"It will be left to the Co-operative Department in the meantime to carry on such rural Welfare work as it can with its programme and resources."

* * * * *

The average area under paddy in the Madras Province during the five years ending 1940-41 represents 13.3 per cent of the total area under paddy in India. The area sown with paddy up to the 25th September, 1942 is estimated at 6,179,000 acres. When compared with the area of 5,809,000 acres estimated for the corresponding period of last year, it reveals an increase of 6.4 per cent. The increase in area is generally outside the districts of Guntur, Coimbatore, Trichinopoly and the South (except Tanjore) where there is a decrease in area. The increase in area is generally attributed to the "grow more food" campaign. The increase is marked in Chinglepet (+85,000 acres) and East Godavari (+75,000 acres). The estimated area under paddy is the highest reported in recent years in Chinglepet (410,000 acres) and Tanjore (303,000 acres).

* * * * *

The Government of Bombay are publishing Village Handbooks for each district in the Province based on the 1941 census. These are useful publications giving detailed information in a tabulated form about every village—the number of dwelling houses, population with separate figures for males and females, religions and castes, market days, festivals, local industries and notable features. The tables

also give information about the existence or otherwise of schools, post offices, village panchayats and railway stations.

* * * * *

The Government of Cochin have appointed a Committee to enquire into and report on the working of the Co-operative Movement in the State and to submit recommendations that will bring about the economic uplift of agriculturists. Mr. I. Raman Menon, retired Superintendent of Agriculture, will be the Chairman of the Committee.

* * * * *

It is understood that the Indian Government have prepared their own scheme of "Standard Cloth". It is proposed to appoint a Central Board known as the Indian Standard Cloth Board, consisting of a chairman and members representative of the cotton textile industry in India, a Standard Cloth Commissioner to be appointed by the Government and an Honorary Adviser on Cotton Textiles. The Board will have powers to require any mill to produce such quantities of standard cloth as it may decide. It will have also powers to require any mill to sell standard cloth to approved dealers.

The Central Board may appoint Provincial Boards composed of two members representing the cotton textile industry, four representing cotton piece goods, and two members to be nominated by the Central Government to arrange for distribution of standard cloth available among the approved dealers in such manner and in such proportion as may be prescribed by the Board.

The final decision is expected at the forthcoming conference between the Government and the owners.

ACKNOWLEDGMENTS

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Washington, D.C.

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YEAR-BOOK AND DIRECTORY OF INDIAN CO-OPERATION 1942.

Some Press Reviews

Review of International Co-operation, September, 1942.

A New Year-Book of the Indian Co-operative Movement, a very imposing volume of 700 pages, has just been published by the two All-India Associations—All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association—in pursuance of a resolution passed at the Joint Session of their Standing Committees at Bombay in January, 1941. The Honorable V. Ramadas Pantulu, to whom the enormous task of editing such a volume was entrusted, has carried out the work in a masterly way, assisted by Provincial Editors for almost all Provinces and States. Mr. Pantulu, it will be remembered, is the President of the All-India Co-operative Institutes' Association, and since 1934 a member of the Central Committee of the International Co-operative Alliance.

The first Indian Co-operative Year-Book, *Co-operation in India*, was published in 1932 by the All-India Co-operative Institutes' Association. The new volume, after the lapse of a decade, is, therefore, a very timely publication, as the development, problems and difficulties of Indian Co-operation during those years have aroused widespread interest. It is planned on somewhat different lines from its predecessor—which comprised a series of independent articles contributed by select writers on different aspects and problems of the Indian Movement—and Mr. Pantulu describes it as an attempt to study the Co-operative Organisations as they exist and are working to-day; Co-operative Organisations have passed through such varying experiences since 1930 that only by a survey of the Movement Province by Province and State by State can a correct idea be given of the present position and its contributory causes.

The usefulness of the Year-Book is enhanced by an All-India Section which forms the first part and includes a Directory of Indian Co-operative Organisations and a 'Who is Who Among Co-operators.' Parts II and III present a co-ordinated account of the origin, progress and working of the Movement in the several Provinces and States, and of these the General Editor states in his introduction "the contributions to Parts II and III are intended to be, and, as a matter of fact, most of them are, more in the nature of records of facts than exposition of principles and practice of Co-operation." He adds, however, that he used his discretion somewhat liberally in order to avoid overlapping and repetitions, eliminating as far as possible mere expression of personal views, especially on controversial matters.

No pretence is made at any approach to the subject from the theoretical standpoint to ascertain how far the several types of Co-operative Institutions conform to certain principles of economic theory and practice, and wherein they resemble or differ from similar types in other countries—"Co-operative Organisations in India have sprung up more largely as practical solutions of peculiar local difficulties and were not entirely conceived as embodiments of any definite theory of economic organisations. It is, no doubt, true that for facility of study the common

aspects and principles which may be extracted from institutional features are first expounded and the institutions themselves are cited as illustrations of those principles. However helpful this method might be for purposes of academic study it should not lead us into the mistaken path of selecting one or other type of institution successfully working in any Province or State on *a priori* grounds on its own intrinsic merit, without regard to the peculiar needs of local, economic, social and political conditions, system of land tenures and the like."

The great educative value of the Year-Book as an aid to the training of workers for the spread of Co-operative Ideals and for the organisation of Indian peasants and workers on a co-operative basis, particularly at this juncture in the history of India, is naturally stressed by Mr. Pantulu, and the following passages in his introduction constitute the best statement we have seen of the place of Co-operation in Indian economy—"Every country which is thinking of post-war reconstruction is turning its vision to Co-operation. . . : In this process of national reconstruction the economic factors of the Movement that count are the business efficiency of the Co-operative Institutions, their utility of enhancing the agricultural incomes and wealth of the country, relieving the burden of unproductive debt, freeing trade from needless middlemen, and enhancing the value and reputation of the country's products in the markets; its moral factors that count are the sense of harmony and unity' that the Movement creates, 'tolerance of divergent opinions, intolerance of waste and a consciousness of individual freedom and worth.' The present irrational system of production and distribution cannot be sustained much longer. . . : There is no escape from national planning on the basis of all-round social and economic justice. I am a firm believer in the inevitability of Co-operation becoming an integral part of national economic planning in future in India as in other countries."

"But such planning and the carrying out of it requires men and women. educated and trained in true ideals and methods of Co-operation and suitably equipped for the task of preaching those ideals and methods to the masses and to bring about a change in their outlook on life and their standard of living. Non-official Co-operators have not, so far, shouldered this responsibility seriously. It has been left mostly to the official agency to do what it can in this direction. I have no desire to belittle or minimise the value of the work so far done by official agencies in the field of rural uplift and economic organisation of the peasants and workers. But the official agency has its obvious limitations which are inherent in the present system of administration. This truth is candidly admitted by one of the foremost British Indian administrators, Sir Malcolm (now Lord) Hailey. In his foreword to Mr. Brayne's book on 'Village Uplift in India,' Sir Malcolm, attempting to answer the charge that the Indian Government failed to deal with the problem of improvement of conditions of rural life, makes the following observations. 'The charge is to this extent true, that we have never deliberately attempted to effect that change in the psychology of the peasant and his social and personal habits without which it is impossible materially to improve his condition of life. The reason did not lie entirely in the immensity of the task. It was obvious that we should have to encounter an enormous dead weight of conservatism and apathy; there were many who not unreasonably feared the results of preaching to the villager that discontent with his own conditions of life which was necessary to their improvement; and not many of us, to tell the final truth, have had the missionary spirit necessary for the enterprise.' . . . ;

"Whatever may be the ultimate form of India's political constitution, we may usefully strive to make our Voluntary Co-operative Organisation an inseparable part of our rural and urban economy. To that extent the contribution of co-operators in nation building will not only be of a permanent and lasting character but will also help to hasten the transference of political and economic power and control into the people's hands which is universally desired."

Part I, the All-India Section, opens with a General Survey on "The Co-operative Movement in India" which deals in turn with the development and problems of the Co-operative Credit Movement, Co-operative Finance, Development of Non-Credit Co-operation, Supervision, Education, and Audit. As these aspects have been covered to a large extent by recent articles in the REVIEW (October, 1941, March, April, and May, 1942) we will only mention here some outstanding points from the Survey.

Mr. Pantulu distinguishes three periods in the development of the Movement—(1) The period between 1904 (the year of the first Co-operative Act in India and the MacLagan Committee Report in 1915, which he calls "*the period of initial effort and planning*." Under the Government of India Act of 1919 Co-operation became a transferred subject and further impetus was given for the development of the Movement by the Ministers in charge. (2) "*The period of unplanned expansion*"—between 1915 and 1929—which was marked by a large expansion of the Movement in almost all the Provinces. (3) The period since the onset of the acute economic depression, 1929-30, with its catastrophic fall in prices of agricultural products and of agricultural land—"the period of set-back and re-organisation."

Discussing the re-organisation of the Movement, he states—"No one overlooks the importance of non-credit activities organised on a co-operative basis. To my mind, the credit and non-credit activities are really inseparable. Apart from the fact that provision of capital and credit to the agriculturist, the artisan, and the small trader is still the main desideratum of our rural and urban economy, it is impossible to believe that any non-credit activity can thrive without co-operative credit organisation to back it. . . : I, therefore, feel no hesitation in advocating that in any scheme for the reform of the Co-operative Movement the importance of the Co-operative Credit Society, with or without accessory functions, should occupy a predominant place."

Turning to the future of the Co-operative Movement, Mr. Pantulu finds it gratifying to see that it is now generally recognised that Co-operation cannot make much headway unless Indian agriculture, which at present is a deficit economy, is transformed into a surplus economy by lightening the peasants' crushing burden of land revenue and by the pursuit of an enlightened agrarian policy in general by the State. He strongly repudiates the contention of the Agricultural Credit Department of the Reserve Bank of India and other critics that the Indian agriculturist is "thrifless, improvident and unprogressive" and the argument that the Co-operative Movement cannot thrive in the midst of such a community—"I have often tried in the past to establish by reference to relevant facts and figures that the average Indian agriculturist is, on the whole, an honest and diligent tiller of the soil, whose diet is sparse, whose wants are few, and whose standard of living is perhaps the lowest in the civilised world. He lives on the very margin of subsistence. Very often he borrows not because he *can*, but because he *must*. His

chronic indebtedness is the *result* of his poverty. Without removing the factors which contribute to his chronic poverty, indebtedness cannot be liquidated."

The problem of indebtedness is dealt with by Dr. B. V. Narayanaswamy Naidu, Professor of Economics, Annamalai University, in an article on "Rural Indebtedness in India," a large part of which is devoted to Debt Legislation (see also *REVIEW* for March, 1942). The author concludes "that the problem of rural indebtedness cannot altogether be solved by a single remedy, viz., debt legislation. The need for initiating a many-sided policy in which debt relief measures will merely supplement measures to promote 'better living, habits of thrift and a better system of production and distribution is great and emergent.'" No dependable statistics are available with regard to the total rural indebtedness of India, which is estimated at between Rs. 6,000 million and Rs. 9,000 million.

Other articles in Part I of the Year-Book deal with "The Reserve Bank of India and Co-operative Banking," by Vaikunth L. Mehta, Managing Director, Bombay Provincial Co-operative Bank, which explains the functions of the Reserve Bank with regard to the Co-operative Movement and its recommendations regarding the re-organisation of the Movement; the various Co-operative Associations; the Indian Co-operative Press; the Departments of Co-operation in the Provinces and States.

Parts II and III, which comprise more than two-thirds of the volume, contain the comprehensive surveys on the Movement in 16 Provinces of British India—Assam, Bengal, Bihar, Bombay, Central Provinces and Berar, Madras, North-West Frontier Province, Orissa, Punjab, Sind, United Provinces, Ajmer-Merwara, Bangalore C. and M.S.; Coorg; Delhi, Secunderabad-Deccan, and in 9 Indian States—Baroda, Bhopal, Cochin, Gwalior; Hyderabad; Indore; Jammu and Kashmir; Mysore; Travancore:

As far as possible the Surveys follow uniform lines and in many cases are preceded by a map; each opens with the "General Features" of the Province or State, and a "Retrospect" of the Movement which are followed by a study of the different forms of activity—Co-operative Finance, Purchase and Sale, Consumers' Stores, Special Types of Societies, Unions, Supervision, Education, Audit, with a large amount of statistical data. At some future date we hope to publish accounts of the development and problems of the Movement in some of the Provinces and States.

We admire, and are greatly indebted to, Indian Co-operators for producing the *Year-Book*, 1942. It will be indispensable as a book of reference to all students of Indian Co-operation and of Co-operation in general, while to all who are engaged in the promotion of the Movement in India—who are "carrying its life-giving message to the doors of those who are waiting to receive it"—it will be of immense practical value.

It is "*To the Indian Peasant, who is groaning under the crushing loads of indebtedness and illiteracy which he carries on his either shoulder*" that the *Year-Book* is dedicated."

The United Provinces Co-operative Journal, June, 1942.

The book under review is a very welcome addition to our literature on the Indian Co-operation. It was a very happy idea which led the Joint Session of the All-India Cooperative Institutes' Association and the Indian Provincial Co-operative Banks' Association held at Bombay in January, 1941 to plan the preparation of this Year-Book under the general editorship of the Honble V. Ramdas Pantulu—that doyen of Indian Co-operation and he has spared no pains to make this volume eminently useful and instructive. The volume opens with a general survey of the co-operative movement in India by the General Editor covering 20 pages and in these few pages one gets a broad and comprehensive summary of the present position and the future prospect of the co-operative movement in India. Mr. V. L. Mehta, Managing Director of the Bombay Provincial Co-operative Bank writes an informative article on the—Reserve Bank and its relations to co-operative movement in India. It puts the case of the co-operative movement VIS-A-VIS the Reserve Bank of India in a very clear and concise way. Dr. B. V. N. Naidu writes on rural indebtedness in India, while Mr. J. C. Kumarappa writes on village industries and the scope of village Industries Associations in developing them.

The position of co-operation in the major provinces of India is separately dealt with. A number of separate provincial Editors were appointed for the provinces and the services of expert local contributors were secured from each province to write on the different topics so far as they related to their own province.

The report on each province opens with a brief description of its general features. A copy of the sketch provincial map is given in the case of some provinces only but the omission in the case of others is regrettable. There are special contributions on rural societies, central banks, provincial bank, land-mortgage banks, urban credit societies, purchase and sale societies, consumers' stores and special types of societies in each province followed by a general treatment of the problems of supervision, education and audit. So far as our provinces are concerned Prof. B. Mukherjee, Reader in Economics in the University of Lucknow and Editor of the *U. P. Co-operative Journal* was the Provincial Editor and he was ably assisted by a number of experts who contributed on the different problems of the United Provinces Rai Saheb Dalip Mansingh, Chairman of the District Co-operative Bank, Fatehpur writes on rural credit societies. Mr. B. L. Jaspal, Deputy Registrar, Co-operative Societies, U.P. writes on our central banks. Mr. L. N. Chaturvedi, our Assistant Registrar writes on land mortgage banks, Mr. Satya Prakash, of the U.P. Co-operative Training Institute writes on purchase

and sale societies. Khan Sahib Murtaza Ali, Assistant Registrar writes on urban banks. Mr. B. Mukherjee writes on consumers' stores. Mr. J. P. Misra, Publicity Officer of the U.P. Co-operative Department writes on our special types of Co-operative Societies, Mr. S. S. Hasan, I.C.S., Registrar, Co-operative Societies, U.P. writes on Supervision, Education and Audit while Mr. N. G. Jhingran, Honorary Secretary of the Union writes on the organization and work of the U.P. Co-operative Union.

The volume covers nearly 700 pages and is a very valuable mine of information about the entire co-operative movement in the whole of India. No such broad comprehensive and authoritative report on the co-operative movement in India was ever produced before and we beg to congratulate the Hon'ble V. Ramadas Pantulu on the splendid way in which he has guided and carried out the whole work. The price of the volume is Rs. 5 and considering its worth and volume it is certainly cheap at that price. The only defect that we can point to is the poor quality of the binding. For such a valuable book which will need constant reference the binding ought to have been better and more durable; we can only hope that this defect will not be repeated in future editions.

Co-operative Bulletin, Kashmir.

The Year Book that has just been published by the All-India Co-operative Institutes Association and the Indian Provincial Co-operative Bank's Association under the general editorship of the Hon'ble V. Ramadas Pantulu, member Central Committee, International Co-operative Alliance, President, All India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association, is the most valuable authentic up-to-date document prepared on the working of the Co-operative Movement in British India and in some of the advanced states of India. The difficulty of preparing a Directory of 718 pages at a low price of Rs. 5 on good paper at this time, when the price of paper has touched the maximum limit can better be imagined than described.

The book is divided into four parts. The first part deals with introduction, the second is connected with All-India and the third is concerned with British India and last part deals with Indian States.

The provincial editors chosen are men of great repute and their contribution to the cause of co-operation is too well known to need any reiteration.

The articles given in the year book are of very high type and deal nicely with the various aspects of the Co-operative Movement viz. Rural indebtedness, industries economics of Khaddar, Co-operative Press, All-India Co-operative Institutes Association etc.

The year book gives sufficient review of the movement in the states. Who is who among co-operators offers an indispensable guidance to those who are interested in forming an intimacy with those who have made Co-operation, what it appears to-day in India and without whose help the movement could not have made such a great headway.

The book is dedicated to the peasant on whose shoulder rests the joy and sorrow of India and who is unfortunately groaning under the crushing load of indebtedness and illiteracy, which he carries on either shoulders.

We congratulate Hon'ble V. Ramadas Pantulu for this great work and do hope that all those who have any interest with this movement would not go without having this volume as their companion.

Federated India, October, 1942.

This is an attempt to give the general reader an idea of the Co-operative Movement in India as a whole and of the origin and progress of the movement in the various Provinces and Indian States. In the All-India survey there are eight articles contributed about the various aspects of the problem by experts, followed by short notes on the Co-operative Press in India, Co-operative Organisations, the Department and Statistical Tables and Maps. The section styled "Who is Who" is quite novel, and gives valuable information about the prominent non-official workers.

This is followed by a brief survey of the movement in the various Provinces and States, written not by different writers, but by Mr. Ramadas Pantulu according to a general plan, but based on the materials supplied by Provincial Editors. This procedure has got the inestimable advantage of combining local knowledge of details with a presentation from a detached and central point of view. This large sized book of 700 pages of excellent print is a marvel of cheapness, as the price fixed is only five rupees. The educative value of such a book is very great. The role of co-operation in the national economy of India, present and prospective, is very important and the book is a veritable VADE MECUM for all interested in that great nation-building department of India, co-operation.

It is not possible to go into details regarding this colossal collection of ideas, facts and figures. We shall just glance through the first article where Mr. Pantulu, than whom there is no Indian who can speak with equal authority on the subject makes a general survey of the movement' as a whole. This article deals with the same facts and figures as the *Review of the Co-operative Movement in 1940* by the

Reserve Bank of India; but that is the official, and this article by Pantulu may aptly be described as the non-official view. The two should be read together.

There is a tendency in some quarters to attach greater importance to what is called non-credit co-operation. There is no harm in this, provided credit side is not neglected. Mr. Pantulu with his vast experience is of opinion that "in any scheme for the reform of the co-operative Movement, the importance of the credit society, with or without accessory functions, should occupy a predominant place." After giving an account of the financial structure of the movement, Mr. Pantulu sounds a note of warning against multiplying stores and of starting "uneconomic and under-capitalised new stores" by departmental drive. Similarly with regard to recent tendencies in co-operative legislation Mr. Pantulu observes that "Co-operative Societies Acts in force in British India and Indian States were framed with the Registrar as centre of the picture and not the society. They should be redrafted if the movement is to make any real advance as a popular movement." The Indian Peasant who is groaning under the crushing loads of Indebtedness and Illiteracy and to whom the book is dedicated finds a champion in Mr. Pantulu, who defends him against the remarks of the Reserve Bank that he is 'thrifless, improvident and unprogressive'. 'The peasant borrows not because he *can* but because he *must*.'

No co-operator's library should be without this invaluable book of information, inspiration and guidance.

THE BOMBAY CO-OPERATIVE QUARTERLY

(*Journal of the Provincial Co-operative Institute, Bombay*)

(PUBLISHED QUARTERLY)

JUNE, SEPTEMBER, DECEMBER AND MARCH.

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THE FIFTH ALL-INDIA CO-OPERATIVE CONFERENCE

NAGPUR, 4TH APRIL, 1942.

The Fifth Joint Session of the All-India Co-operative Conference of the All-India Associations of the Indian Provincial Co-operative Banks and the All-India Co-operative Institutes met at Nagpur on the 4th and 5th April, 1942. Distinguished non-official co-operators and Registrars of Co-operative Societies from the various provinces and States were among those who were present. The opening session was held on the morning of the 4th April at 8 a.m. at the premises of the C.P. and Berar Provincial Co-operative Bank. The following delegates and invitees were present:—

Delegates and Visitors Present

MADRAS.

1. Sri K. L. Narasimha Rao.
2. Sri N. Satyanarayana.
3. Sri D. Mahalingam Pillai.
4. Dr. R. Naganna Gowd.
5. Sri Bikkani Venkataratnam.
6. Rao Sahib T. M. Chinniah Pillai.
7. Sri V. Appa Rao.

THE PUNJAB.

1. Khan Mohammad Bashir Ahmed Khan, Honorary Secretary, All-India Co-operative Institutes Association.
2. K. B. Malik Noor Mohammad Khan.
3. K. S. Khan Hasham Khan.
4. Ch. Mohammad Qasim.
5. Mr. J. G. Bhandari.
6. Mr. L. Mool Raj Bhai.

BENGAL.

1. Khan Sahib Wahiduz Zaman.
2. Rai Bahadur Sanat Kumar Chatterjee.
3. Mr. A. Ahmad, I.C.S., Registrar, Bengal.

BOMBAY.

1. Mr. V. L. Mehta.
2. Diwan Bahadur H. L. Kaji.

C.P. & BERAR.

1. Rao Bahadur R. M. Khare.
 2. Diwan Bahadur K. V. Brahma.
 3. Sir M. G. Deshpande.
 4. Rai Sahib Udai Singh Bisen.
- Messrs.
5. D. V. Rege, I.C.S.
 6. H. S. Kamatu, I.C.S.
 7. W. R. Puranik, B.A., LL.B.
 8. G. C. Mukhtyar, M.A.
 9. M. D. Shingru.
 10. K. Y. Mahajan.
 11. S. N. Hardas.
 12. R. K. Varma.
 13. S. B. Chandratrya.
 14. D. A. Pundalik.
 15. L. C. Jaini.
 16. B. M. Akhegaonkar.
 17. V. G. Kango.
 18. D. G. Chitale.
 19. W. M. Huddar.
 20. P. Kodand Rao.
 21. R. S. G. K. Hardas
 22. M. A. Amraotkar.
 23. R. B. H. S. Munje.
 24. Khan Bahadur M. E. R. Malak.
 25. R. S. M. M. Joglekar.
 26. Y. N. Ballal, B.A., LL.B.
 27. W. V. Deshpande.
 28. Seth H. G. Bajaj.

29. P. L. Gupta.
30. K. G. Kamavisdar.
31. A. K. Ghatpande.
32. W. B. Lakhe.
33. G. S. Dixit.

BIHAR.

Mr. V. M. Thakore, Honorary
Secretary, The Indian Provincial
Co-operative Banks' Association.

ASSAM.

- . Maulvi Mushaheduddin Chau-
dhury.

COORG.

Mr. K. C. Karumbayya.

UNITED PROVINCES.

1. Rai Sahib Dalip Mansingh.
2. Pt. Raj Nath Kunzru.
3. Khan Sahib M. Murtaza Ali.

SIND.

Mr. Fatehchand Topandas.

SECUNDERABAD.

Mr. G. Lakshinarsu.

INDORE.

Messrs.

1. S. W. Fadnis.
2. A. G. Sharma.
3. N. G. Kothari.
4. W. T. Karambelkar.
5. A. G. Sherlekar, Registrar,

MYSORE.

M. Abddul Hukh, Registrar,
Co-operative Societies; Mysore.

KASHMIR.

Mr. S. B. Magbul Ahmad,
Deputy Registrar, Co-operative
Societies, Shrinagar.

RESERVE BANK OF INDIA.

1. Dr. B. K. Madan, Director of
Research, Agricultural Credit
Department.
2. Rana Sher Jang Khan, Officer,
Agricultural Credit Dept.

JODHPUR.

Mr. S. D. Ujwal, Registrar,
Co-operative Societies.

PATIALA.

Sardar K. J. Khosla, Deputy
Registrar.

WELCOME ADRESS BY SIR MADHAORAO DESHPANDE, K.B.E.,

Chairman of the Reception Committee

BROTHER CO-OPERATORS,

It is a great privilege to me to have the honour of extending to you a very hearty welcome on behalf of the Central Provinces and Berar Provincial Co-operative Bank, five Divisional Institutes and other co-operative organisations and workers in the field of co-operation in this Province to this the 5th All-India Conference of the Provincial Co-operative Banks and Institutes' Associations. Nobody is more conscious than myself of the fact that it is at a great personal inconvenience and sacrifice that you have come over here to attend the conference, particularly in these days of dearth of accommodation in the railways. Further, the season also is rather unfavourable to long journeys. To crown all, Nagpur is one of the hottest cities in the country and I do not

know how best to make you comfortable. I, however, consider it a great compliment that many of you are visiting this Province for the third time, though you are gracing Nagpur with your presence for the first time. About 7 years ago you came to Amraoti for the 3rd Conference and in 1939, some of you were present at Jubbulpore for the joint sitting of the Standing Committees.

Nagpur is the capital of this Province and I have no hesitation in saying that it is a capital in every sense of the term. Besides being the seat of Government, it is a centre of many activities—political, industrial and educational. The Nagpur University, which though only 19 years old, has made great strides. The Laxminarayan bequest, which is the most munificent donation of its kind, is expected to give a considerable fillip to the industrial progress of this Province. The High Court, which came into existence in 1937, has lent an added status to the province and the building in which the court is housed has contributed to the glory of the city. The Nagpur Improvement Trust, which was established 5 years ago is, according to some, an acquisition to Nagpur. Though not keeping pace with other provinces in its onward march, I may submit that in certain matters our province has been a precursor of many reforms. This province was the first in the field of ameliorative legislation affecting the agriculturists. There are also other organisations and movements of which this province has the honour to be the pioneer. Industrially, the Province is on its way to progress. The Empress Mills, which is the most gigantic spinning and weaving work in India, had its origin in this city 65 years ago. Berar has been known for its cotton, and though it has fallen on evil days owing to the last post-war depression and the present war, it is the most enlightened and leading part of the Province. As was observed by D. B. K. V. Brahma, Chairman of the Reception Committee of the 3rd Conference, Berar has provided this province with great administrators and publicists. Recently it has been the turn of other parts to play a similar role. One may with a certain amount of pride say that the Hon'ble Dr. E. Raghavendra Rao and Hon'ble Loknayak Bapuji Aney, who have adorned the seats of Executive Councillors in the Central Government, are from this Province.

This Province is not without its historic back-ground and those who are interested in its cultural and political history will have enough material for their study. The culture of this province is a combination of several influences. For want of time, I do not propose to go into the past history of the Province but even in comparatively recent times, we find several renowned scholars, particularly in Nagpur, who have made their mark on the cultural life of this province. There are some old

families of historic origin in Nagpur who have survived the onslaughts of time and the descendants of Bhonslas and their chieftains also adorn this city.

We are meeting at a time when the war has cast its dark and dismal shadow over all countries and climes. The war is now practically near our door steps. While the fate of the whole world including India is thus hanging in balance, there is a ray of hope in the imminent prospect of the transfer of political power into the hands of Indian people. I am sure the transfer of real power will hold out vast possibilities of peaceful solution of the many problems that face us and I fervently hope that the negotiations going on at present in this connection at New Delhi will come to a successful end.

During the last 7 years, this Province has been passing through very many vicissitudes in common with other provinces such as Bengal and Bihar. The greatest difficulty that this Province experienced, particularly in Berar, was in respect of the repayment of deposits. The assets of some central banks, being locked up in lands received in lieu of recoveries, became frozen. The apex bank met the demands of these central banks for some time but it could not do so indefinitely. The crisis came to a head in 1938 when Government appointed a Committee under the chairmanship of Mr. P. B. Gole, an ex-Minister of the province, to consider the question in all its aspects. For various reasons considerable time elapsed before Government published its conclusions on the Gole Committee's report. Government issued a press communique in September 1938 i.e., about a year after the Assembly Session which has appointed the Committee. In the meantime, nine banks in Berar had to suspend payments. This vexed problem was also referred to the joint session of the Standing Committees of the All-India Institutes and Provincial Banks in October 1939. As the proposals contained in this communique did not commend themselves to the interests primarily involved and as the problem itself had to some extent changed its shape owing to the outbreak of the war, a fresh communique was issued by the Government in March 1940 together with the C. P. and Berar Co-operative Societies (Amendment) Act. 1940. The Berar crisis had its repercussions on C. P. Banks and to-day the position is that 9 banks in Berar and 5 banks in the Central Provinces have had to come under Section 42-B introduced by the above Act. The very fact that among those banks that have come under Section 42-B there are 4 banks whose realizable assets are enough to pay 16 annas in the rupee of the principal shows that they had enough inherent strength in them. Others can pay from annas 6 to 15. It may be further added that out of 14 banks that had suspended payment, the

arrangements with their creditors of 7 banks in Berar and all the five of the Central Provinces have been confirmed by the Registrar.

With a few variations there are some common features in all the schemes of rehabilitation adopted so far by the central banks. They are the conciliation of loans due by members of societies on the basis of their repaying capacity, repayment of the conciliated amounts by annual instalments not exceeding 20, absence of any claim of creditors on the assets of the banks after 20 years, surrender of lands by members to banks with an option to repurchase them and Government guarantee of interest at 3 per cent or 2 per cent on the conciliated amounts. In this crisis the apex bank has not, and could not, come out unscathed and I think that it will have to suffer a loss of about 12 lakhs of rupees in this connection. I can only conclude this part of the story by saying that if our Government could have possibly been as liberal as those of some other Provinces, we would not have cut such a sorry figure of ourselves. I have every sympathy for the depositors who have suffered. They may, however, take comfort in the fact that we are trying to do our level best in the matter. I am, however, thankful to Government that they have permitted the Provincial Bank to explore new avenues of business. The Provincial Bank has opened as many as 7 pay offices in towns which afforded scope for inland exchange and other commercial business and I am glad to say that inspite of the competition of commercial banks, we have secured good business so far. This will enable us to increase our income to some extent, but to weather the storm fully we expect guidance from illustrious co-operators like you who have varied experience and knowledge of co-operative affairs. I, however, take this opportunity to express my gratitude to the Hon'ble Sir Geoffrey Burton, Financial Adviser to H. E. the Governor, who is in charge of co-operation for his valuable help in solving some of our difficulties. We are also equally indebted to our worthy Registrar, Mr. Rege, whose amiability and accommodative spirit have always stood us in good stead. Our friend and ex-Registrar, Mr. G. S. Bhalja, who is Finance Secretary now has been ever willing to offer his advice and guidance in our critical moments.

Though the general position of the movement in the province has been shaken by the recent crisis, the banks in Chhattisgarh division stand out as a shining example of what co-operation can do even in these critical days. I can speak with confidence that these banks are institutions of which we can well be proud and the credit for this state of affairs goes to my friends: Pt. W. B. Lakhe, R. S. S. C. Mitra, R. S. U. S. Bisen and Mr. Ratnakar Jha. Some of the banks in the other parts of the Province, too, are sound. The recent amendment to the C. P.

Tenancy Act, which allows co-operative societies to sell occupancy lands for recovery of their moneys advanced before the introduction of the Act and to take such lands in mortgage as security for future loans which advantages are not enjoyed by the ordinary creditors, is expected to give a fillip to the movement in that part of the Province. Prices of land have appreciably gone up in Berar in view of war conditions and this is sure to improve the position of the banks in that division. If, therefore, appears to me that we have definitely turned the corner and that we can confidently expect to have better times for the Co-operative Movement in the future, especially if we learn aright the lessons taught by the recent crisis in the Movement.

Now turning to the land mortgage movement in which sphere we rank third in importance in the whole of India, I regret to say that it has not been making any headway for various reasons among which the operation of the debt relief courts is the principal one. We have taken the Madras movement for our ideal; but howsoever we may try to expand the business, we have not been able to reach our proper stature although 8 years have passed. The prices of cotton have reached such a rock bottom level that even the Berarees, who are known for their heavy liabilities, have not thought it advisable to approach us for the liquidation of their debts. This shows that their repaying capacity has been considerably reduced and in spite of the concessional system of repayments envisaged by land mortgage banking, they do not have the inclination to come to us.

A word is necessary about crop loan financing. The Provincial Bank has been ever ready to advance loans to members of primary societies for meeting their agricultural needs; but unfortunately the response has been rather poor so far. It is, however expected that the demand for such loans will increase in the near future as rehabilitation enquiries are now practically over and as the agriculturists cannot usually get accommodation from other sources in view of the recent debt legislations.

Before I resume, I owe an apology to you for having taxed your patience with a tiresome story of our provincial problems; but this is all that I could at the most do in respect of the co-operative problems. The problems of All-India concern have been embodied in the agenda of the Conference and our worthy President whose capacity for dealing with such problems is widely known will acquaint you with some of them. Further, it is none of my business to anticipate your conclusions on momentous issues. It is only in my power to offer you my humble recep-

tion, and I request you to accept it in a brotherly spirit. We are aware of our short-comings, but I solicit your generosity to overlook them. As I said in the beginning, you favoured us with your company at considerable inconvenience and I am grateful to you for it. I do not want to come between you and the expert advice which you are expecting from the President. Welcoming you once again from the bottom of my heart, I now request the President to declare the Conference open.

After concluding his welcome address, Sir M. G. Deshpande said:—

The Hon'ble Mr. V. Ramadas Pantulu has expressed regret at his inability to attend the Conference for reasons of health. I received a telegram from him which reads as follows: "Health prevents attendance. Sending Manager, Presidential Address. Wish Conference success."

MESSAGES TO THE CONFERENCE. -

Khan Mohammad Bashir Ahmed Khan, Secretary of the All-India Co-operative Institutes' Association said:—I shall now read some of the messages received both from official and non-official co-operators. I do not propose to take your time by reading all of them. I shall simply read four of them, which are important.

1. *Message from His Excellency the Governor, Central Provinces and Berar.*

It gives me great pleasure to welcome to Nagpur the 5th All-India Conference of Co-operative Institutes and Provincial Co-operative Banks. The Co-operative movement in this province has had a chequered history which has necessitated a scheme of rehabilitation concerning the results of which it is as yet too early to speak. The deliberations of this Conference, it is hoped, will be helpful in tackling the various problems which are confronting the movement in this province. In particular the guidance available from this Conference of Institutes on the question of improving the members of primary societies in co-operative principles should be most valuable as it is obvious that the success of the movement depends upon the extent to which the members of primary societies realise their responsibilities and play their role in a truly co-operative spirit. I trust that this Conference will also open up new avenues for co-operators to serve the rural population of the country at this juncture when agricultural economics play such an important part in the war effort and when a sound structure of savings and investments

is needed in order to prevent inflation of prices. I wish the Conference every success.

2. Message from Generalissimo Chiang Kai-shek.

"Generalissimo Chiang Kai-shek directs me to acknowledge receipt of your letter of February 18th and to say that he wishes all success for the Fifth All-India Co-operative Conference to be held at Nagpur in Easter Holidays on the 4th and 5th April, 1942.

"China has made much progress in the organisation of Industrial Co-operative Societies and wishes that your country will attain equal success."

3. Message from the Secretary to the Government of India, Department of Education, Health and Lands, New Delhi.

"On the occasion of the Fifth All-India Co-operative Conference I am happy to send my best wishes to all co-operators present for the success of the Conference. May their joint labours result in benefits for the cause they are meeting to serve."

4. Message from Sir T. Vijayaraghavacharya, Prime Minister, Udaipur State.

I am glad to hear that the Fifth All-India Co-operative Conference will be held at Nagpur during the Easter Holidays. I am sorry that other preoccupations preclude my attendance, but I wish every success to the Conference. The movement is of vital interest to Indian rural welfare and must have the support of everybody interested in the economic welfare of the countryside.

5. Message from Mr. V. Shiva Ram, M.A., Ph.D., (Harvard) F.R. His. S., Professor and Head of the Department of Economics, Lucknow University, Lucknow.

"The future of the world will be decided on the principle and basis of Co-operation instead of the present practice of conflict and competition not only in our national life, but in the new world order and international organisation. The vast experience of the co-operative movement within India and abroad will be a beacon light and guide in the solution of our social, economic and post war problems. If we really practice the principles of co-operation, we will certainly see harmoni-

ous relationships all round, such as harmony in the family, community and the nation. The principle of co-operation, if practised with sincerity and honesty, will pave the way for world peace, securing contentment in the community of nations and good-will among men. I go further when I say that this co-operative principle will provide the basis for the solution of our communal problem in India, if given an honest trial!

I wish the Fifth All-India Co-operative Conference all success and hope that it will give the right lead to co-operators in India in the solution of our national and international problems at this critical juncture in the history of India and the world."

6. *Message from Dr. L. K. Hyder, M.A., Ph.D., C.I.E., Chairman, Department of Economics, Muslim University, Aligarh.*

'Co-operation and not competition is the law of life. Co-operation improves, competition worsens the inner texture of human beings. By reason of long and bitter experience, faith in co-operation is now increasing and in conflict diminishing. If in our country, castes, classes, communities co-operated not merely in the economic but in all fields of human endeavour, what an elevation of planes and what an example to the rest of the world we mild and meek Indians would be.'

7. *Message from Mr. I. E. Jones, I.C.S., Registrar, Co-operative Societies, Punjab and Delhi Provinces, and Director, Rural Reconstruction, Punjab, Lahore.*

"I send my good wishes for the success of the Conference."

8. *Extract of message from the Registrar, Co-operative Societies, Ajmer-Merwara, Ajmer.*

"I heartily wish the Conference every success and offer my sincere thanks for the invitation so kindly extended to me."

9. *Extract of the Message from Khan Ghulam Mohd. Khan Niazi, Registrar, Co-operative Societies, N.W.F.P., Peshawar.*

"I wish the Conference a success and hope that it will give a lead in maintaining the spirit, the movement needs at this juncture to uphold the cause of humanity and unite all the peoples to help in creating a new world order, based upon the co-operative principles of free association, democratic government and equitable distribution of all the resources of the earth."

10. *Extract of the message from Mr. M. H. Hussain, M.A., I.C.S., Registrar, Co-operative Societies, Assam.*

"I wish the Conference every success and hope that coming off as it does at a time when opposing political systems and ideologies are at war with each other, it will do something worth while by calling attention to the importance of a movement which will continue to be beneficial to the masses, whatever form of Government may prevail in the world, and which will, in fact, be needed more than ever when our disorganised socio-economic order comes to be recommended."

11. *Message from the Jammu and Kashmir Co-operative Institute, Jammu (Kashmir State).*

"The economic emancipation of the agricultural class and the organisation of subsidiary industry as a help and asset to the peasantry are some of the achievements of the co-operative movement. The scope for the extension of such efforts is immense. India's problems are vast. The Jammu and Kashmir Co-operative Institute wishes every success to the valuable efforts of the Conference and pray that may posterity feel proud of the laudable work done by your movement."

12. *Message from the Indore Premier Co-operative Bank, Indore.*

"The Bank wishes the Conference all success, and hopes that it will be useful in suggesting lines of development of the country, on co-operative lines."

Dewan Bahadur K. V. Brahma, who was requested by the Reception Committee to read the address of the Hon'ble Mr. V. Ramadas Pantulu, observed:—

"Brother Co-operators: By now you are acquainted with the reason for the absence of the Hon'ble Mr. Pantulu. We are very sorry that he is unable to read the address, which he would have himself delivered here. I do not consider myself a fit deputy for the Hon'ble Mr. Pantulu, but as a co-operator I cannot shirk the responsibility that falls upon me and therefore with your consent I beg to read the address which the Hon'ble Mr. Pantulu would have delivered.

PRESIDENTIAL ADDRESS BY THE HON'BLE MR. V. RAMADAS PANTULU

Dear comrades in co-operative service,

It is a matter of the deepest regret to me that in spite of my earnest effort I am not able to be amidst you to-day and to convey to you in person my sincere thanks for the honour you have done me by asking me to preside over this Joint Conference of the two All-India Co-operative Associations. I take it as a token of your appreciation of my humble services, and there can be no higher reward for a worker in any sphere of public life or national activity than the recognition of his services by his fellow workers and those whom he tried to serve. In the evening of my life nothing gives me more satisfaction and pleasure than the thought that I have been able to retain the confidence and affection of my comrades in co-operative service in the several Provinces and States of India, in spite of my many failings in serving them.

POST-WAR RECONSTRUCTION AND CO-OPERATION

We are meeting at the most critical period in the political and economic history of India. The old political structure and economic order are well nigh in the melting pot. For the first time in the chronicles of the Imperialisms of the world, ever since the dawn of history, an accredited emissary of an imperialistic power has been sent out to a country ruled as a dependency without any pretence to political or economic freedom. Whatever may be the final outcome of the mission of Sir Stafford Cripps, it may be taken to be a definite recognition of the fact that the old order can no longer be sustained under the severe impact or onslaught of new world forces and currents of national life in India. India is determined to become free politically and economically and play her proper role in the future world order, and nothing can stand in the way of achieving her will. It is, perhaps, too early to predict with any approach to precision the effect of the war economy on our national life or the nature of the many readjustments we shall be called upon to make in our socio-economic structure in the process of post war reconstruction. One thing, however, is certain; the fundamental principles on which such readjustments and reconstruction will proceed will be co-operative in character. In essence the co-operative ideals of better and more equal opportunities in life to all sections of the people and a more equitable and rational distribution of wealth, commodities and goods produced by national effort will have to be accepted. I am confident that the efforts of international co-operators to convert the world to their irresistible economic doctrine will bear fruit, and every one of us will

have reason to feel that he or she has not lived and worked in vain, however humble the part played by one may be.

I have indicated briefly, in my introduction to the *Year-Book and Directory of Indian Co-operation*, 1942, the potentialities of co-operation in the reorganisation of our peasants and workers. There are more thinkers and statesmen in the world to-day who are prepared to admit, as they have never done before, that "co-operation" is a better alternative to the solution of problems connected with national re-construction, to any other system that has been tried hitherto or may be suggested. Co-operative method alone can help us to effectively raise the standard of living of the people and bring about a genuine change in their outlook on life. Under capitalist economy we have been taught to believe that there was over-production of commodities and goods while, as a matter of fact, half the population of the world is underfed and insufficiently clothed. Co-operators consistently held the view that swollen stocks were due not to *lack* of demand but the *ineffectiveness* of the demand, which means the *lack of purchasing power* among those who are most in need of even the elementary necessities of life—food and clothing. There is, therefore, no escape from national planning with a new angle of vision both in the structure of production and distribution on the basis of all round social and economic justice, or in other words, in accordance with the principles and practice of co-operation. Whatever may be the ultimate form of India's political constitution we must, therefore, continue to strive to make our voluntary co-operative organisation an inseparable part of our rural and urban economy. We, co-operators, believe that while the economic system is the foundation, the political system is the superstructure. If we have an undying faith in these ideals and continue to preach them till we compel their acceptance by those who will be responsible for the post war reconstruction, our contribution to nation building will not only be of a permanent and lasting character but will also help to hasten the transfer of political and economic power and control into people's hands from oligarchies and capitalist-ridden Governments. So, let me repeat the advice given by an eminent co-operator: "Build co-operatives in order to build democracy."

The question how far this second world war has actually affected the co-operative movement in India has not so far been examined carefully. But taking everything together it may be said that our institutions have on the whole not been adversely affected by the war. It may be premature to venture any opinion as to what would happen to our co-operative institutions if India is to become an active theatre of war, which God forbid. I am sure that I shall be faithfully echoing the sentiments of this

Conference, if I say that it is our earnest hope that Britain and her Allies will be able to overcome the dark force of aggression and that the fortunes of the war will turn in Britain's favour before our enemies are able to set foot on the soil of this country.

The question of scorched earth policy is very much in the forefront now. To my knowledge co-operators nowhere in the world view with equanimity the destruction of property or concerns built or acquired at considerable cost and after generations of effort. We, as co-operators, must impress on the Government that the scorched earth policy will be detrimental to the true interests of India, which in many respects differs from Russia and other western countries where such policy is advocated. In any case those who have been over-emphasising the benefits of large-scale industrialisation on western model may have to concede that scorched earth policy will have more disastrous effects on such structure of industrial production, than it will have on the structure of national production planned on a programme not merely of large scale industrialisation but also on the development of agriculture and cottage industries, so as to make villages as self-sufficient as possible even under the new world conditions. While industrial plants may be completely destroyed and remain so for years, by the pursuit of scorched earth policy, agriculture and rural industries will not be affected to the same extent. Though the burning of a year's harvest may result in a shortage of food for the season it may improve the productivity of the soil for the next crop. In any case it will not sterilise the soil. Same is the case with the consumption of goods and wealth produced by the rural labourer and the handicrafts-man in his day-to-day life. These considerations will at least serve as a corrective to over-emphasis on large-scale industrialisation in all spheres of national economy as the main solution of India's economic problems.

PROGRESS OF THE CO-OPERATIVE MOVEMENT

In my address to the Joint Session of the Standing Committees of the Associations held at Bombay, I gave a brief resume of the measures in progress for the rehabilitation of the movement in certain Provinces. Since then no tangible advance has been made in giving practical shape to those measures. With the exit of popular Governments in the majority of the Provinces, political pre-occupations of a pressing character in Provinces where the ministries are still functioning and with the financial stringency brought about by the war, it is perhaps not possible to expect any effective drive from the provincial administrations. I have no later information about the progress of the rehabilitation schemes and programmes in the various Provinces and States than what

is embodied in the Year-Book just published. The separation of Orissa from Bihar has not resulted in any improvement of the movement in Orissa. The idea of establishing a Provincial Bank for Orissa is for the present put in cold storage. In the meantime the two Central Banks in South Orissa, namely those at Aska and Berhampur, still remain affiliated to the Madras Provincial Co-operative Bank and receive some limited financial assistance. A vigorous drive to disaffiliate these two banks from the Madras Provincial Co-operative Bank, which was much in evidence recently, seems to have somewhat abated in fury for reasons which it is not necessary to mention here. The central banks in North Orissa and the societies affiliated to them depend on the Provincial Government for finance to their members. The position in Orissa is on the whole very depressing.

In Bihar the scheme sanctioned, after prolonged enquiries, by the Provincial Government on the 15th April 1941 and a summary of which appeared in the *Indian Co-operative Review* is still in its preparatory stages. In Central Provinces and Berar the enquiries relating to the central banks have not yet been completed. So far, eight central banks have been tackled and four more are being tackled. The Instructions for Rehabilitation enquiries and for implementing the rehabilitation proposals are carefully and elaborately drawn up and are likely to prove helpful. But I am constrained to say that the whole process has been too slow and that in the meantime further deterioration of the movement may make the scheme out of date. In Bengal, I regret to say that there is no evidence of any move even to the extent that we notice in Central Provinces and Berar and in Bihar. Things are stagnant and the movement is deteriorating rapidly. So, on the whole the outturn of rehabilitation programmes is poor and the outlook not very hopeful or encouraging. I hope and trust that the provincial administrations will realise that co-operative organisations will prove to be real and efficacious aids to stimulate production of goods and agricultural products which are essential not only for war effort but also to meet the requirements of the people in regard to food, clothing and other necessities of life. So, the provincial administrations will benefit the regions in their charge if they devote a little more time and energy and allot adequate funds for the resuscitation of co-operative institutions.

In Madras a Committee on Co-operation was appointed in 1939 by the late Congress Government. The Committee submitted its report an year ago, in the middle of 1940, some months after the Congress Government went out of office. I may at once state that the present provincial administration in Madras practically rejected almost every useful and well-considered recommendation of the Committee. The Registrar in

his latest administration report (for the year ended 30-6-1941) devoted a paragraph to setting out the decisions of the Government on the report. Beyond stating that the recommendations of the Committee on various vital matters have been "rejected" or "not accepted", no attempt has been made to explain why the recommendations of the Committee have been dealt with in this manner or to justify the action of the Government. It is impossible in an address like this to deal either with the recommendations in question or with the decisions of the Government thereon. While rejecting almost all vital recommendations of the Committee, the Government made a number of additions to, or modifications of, the rules framed under the Madras Co-operative Societies' Act, which not only make radical departure in the policy hitherto pursued by the Government in that Province but also provide for much larger scope for official control and interference. So, the method adopted in dealing with the Committee's report is mainly one of executive legislation under rule making power at a time when the legislature did not function and even normal facilities for interpellating the Government on the issues involved were non-existent. I feel that the rule making powers under the Co-operative Societies' Acts in force in various Provinces should be more precisely defined and provision made to give the legislature an opportunity to examine the rules framed by the executive with power to veto or modify them whenever the legislature feels it necessary or expedient to do so.

The net result of the action of the Madras Government on the report is to considerably enlarge the official control over the movement and make departmental interference with the working and internal management of co-operative institutions almost a normal feature of co-operative law and order in Madras. My remarks, in general, in regard to the role played by the official agencies in my Bombay address to the Standing Committees last year have been the subject of some bitter and acrimonious controversy in the Province of Madras; but I now find some of those who were particularly emphatic in disapproving the references in my Bombay speech have themselves come to realise the effects and complain of interference after having experiences of it, by no means pleasant. I not only adhere to what I said in Bombay on the last occasion, but it shall be my endeavour to utilise such little energy and time that I may still be able to devote for the reform of the movement, particularly for bringing home to the Provincial Governments the need to rewrite the Co-operative Societies' Acts on truly co-operative principles and to so administer those Acts as to ensure the essentially popular and democratic character of the movement. So long as the responsibility for the proper working of the institutions is laid on the shoulders of non-officials and vast and detailed powers of direction and control over the movement are vest-

In conclusion I wish to repeat what I have said in my introduction to the year-book in this connection. The success of planned co-operation depends on the efforts of men and women educated and trained in true co-operative ideals and methods and suitably equipped for the task of preaching those ideals and methods to the masses so as to bring about a change in their outlook on life and their standard of living. In other words our workers must have the requisite missionary spirit if they are to be genuinely engaged in the promotion of the co-operative movement and in carrying its life giving message to the doors of those who are waiting to receive it. Cannot our two Associations start a "Co-operative Service League" for the spread of the gospel of co-operation so that it may permeate the lives of the peasants and workers?

After reading the Presidential Address Dewan Bahadur Brahma said:—"Gentlemen, now you have to elect a President to conduct the proceedings."

Khan Mohammad Bashir Ahmad Khan.—"I propose Dewan Bahadur to preside over the Conference."

Mr. N. Satyanarayana.—"I second it".

Dewan Bahadur Brahma was elected President of the Conference unanimously and as the House permitted commencing the business session of the Conference as there was time, selected items of the Agenda of the Conference were taken up for discussion.

DISCUSSION OF ITEMS ON THE AGENDA

Item No. 8 of the Agenda.—"Resolved that as the price of cloth has gone up considerably causing much distress among the poorer and middle classes, owing to the fact that the weaving mills in the country are not in a position to supply all the requirements of the people. as these are busy in producing clothes for war purposes, for which big orders have been received by them from Government, the Government should make all earnest endeavour to increase the production of cloth in the country and encourage the formation of hand-spinners and weavers societies on a co-operative basis all over the country by giving adequate financial help for their successful working."

Mr. A. G. Sharma, Indore.—I propose that the words 'Governments of Provinces and States' be substituted for 'Government.'

President.—Government obviously means the Central, Provincial or State Government." Referring to the mover he asked:—"Do you think that the mills should see to the several needs of the Government and the Spinners and weavers Societies to the needs of the people."

Pandit Raj Nath Kunzru, Agra.—Because I am interested in industrial co-operation and connected with the working of some of such societies directly I see that producers' societies have very little chance of success, unless the Government supply raw materials at controlled prices. Mere financial assistance for the formation of such societies will not do. So I propose that the words financial and other help necessary be used in the place of 'Financial help'.

Rai Bahadur Sanat Kumar Chatterji, (Bengal).—I submit that a sub-committee be formed to discuss and frame resolutions before they are brought before the House for discussion, as was done on previous occasions.

President.—Every delegate will have a chance now to discuss the draft resolutions of the agenda as they are.

Rai Bahadur Sanat Kumar Chatterji.—Even if the resolutions are redrafted by the sub-committee, every delegate will have a chance to discuss them.

President.—We should, I think, proceed with the items on the agenda as they are.

The resolution was passed with the amendments suggested:—

Resolution No. 1.—*Resolved that as the price of cloth has gone up considerably causing much distress among the poorer and middle classes, owing to the fact that the weaving mills in the country are not in a position to supply all the requirements of the people, as these are busy in producing cloth for war purposes for which big orders have been received by them from the Government, the Governments of Provinces and States should earnestly endeavour to increase the production of cloth in the country and encourage the formation of hand spinners and weavers societies on co-operative basis all over the country by giving adequate financial and other help necessary for their successful working.*

Item No. 15.—In view of the fact that the co-operative movement needs urgent expansion and a number of district and central banks find it difficult to organise and finance new societies due to lack of funds, resolved that Government be requested to order various public bodies like the Municipal and District Boards etc., to deposit their funds with those financially strong co-operative institutions which may be recommended for this purpose by the Registrar, Co-operative Societies. As a security for such deposits the Banks should pledge their gilt-edged securities with the Government or public bodies concerned proportionate to the deposits which they may get."

Rai Sahab Dalip Mansingh (U.P.) in moving the above said.—In my province a number of Central and District Banks are finding it extremely difficult to finance new societies. In these days of war the public are shy of investing more funds with co-operative societies. The local bodies such as Municipal Committees and District Boards have generally large sums of money in the Government treasuries and they take them from time to time. So they do not need all that money immediately. If this money is kept with financially strong district and central banks, I think the money will be quite safe and we will get a sufficiently large sum to carry on the business of expansion of co-operative societies. With this view I place this subject for discussion before you and I think you will have no objection in passing this resolution.

Mr. N. Satyanarayana (Madras).—The last three lines regarding the deposit of gilt-edged securities by co-operative banks in the draft resolution be deleted.

Mr. A. G. Sharma (Indore).—I submit that 'Governments of Provinces and States' be used instead of 'Government'.

Mr. A. G. Sherkelar, (Indore).—The mover of the resolution has pointed out that these institutions are not enjoying the confidence of the public.

Mr. N. Satyanarayana.—No. They are enjoying public confidence.

Mr. A. G. Sherlekar, (Indore).—And they are feeling shortage of funds for expanding business. I really fail to understand how institutions like District Boards and Municipalities would be inclined to deposit their funds with such banks, if their condition is bad for certain. I do not think they will. If their condition is good, there is no need for a resolution like this. It is suggested that the Government Securities may be placed with the financier from whom we have taken money. It is not a business proposition at all. Unless we create public confidence in these institutions, I do not see any use of such a resolution being moved in a conference like this.

Mr. N. Satyanarayana.—Here in this resolution nothing is said about the lack of confidence. Take the case where the Government ordered that central banks should not accept deposits. It is a fact that there were sometimes surplus funds. But now, after the expansion of the movement, we want funds—more funds. We have already made this year, a loan of nearly a crore of rupees on pledge of produce. This G. O. is standing in our way. The District Boards and Municipalities have got long term money especially provident and other funds. They can deposit and help for the resuscitation of the movement. The District Boards and Municipalities are allowed to deposit their money in land mortgage debentures for 20 years. Why not they allow the local bodies to keep their funds with the central banks? Why do the Government allow the surplus funds of municipalities, etc., to be kept elsewhere where they are not getting even 1 per cent interest. The co-operative movement will absorb all money. I second this resolution. This only will help the banks.

Sir M. G. Deshpande, (Nagpur).—As regards the experience of our Central Provinces, the Government have permitted the Provincial Bank to accept these deposits and have allowed the local bodies also to deposit their surpluses in the Provincial Bank. Instead of asking the Government to permit local bodies to deposit their money in central banks, it is advisable at this stage to allow the local bodies deposit their funds in Provincial Banks. In every Province you have an apex bank. You generally borrow from the apex bank for financing your societies. So there is no harm in doing this. Now at this present juncture there are certain provinces where people have lost confidence in central banks, on account of this crisis. As such it is advisable to ask the Government to allow the local bodies to invest their funds with the Provincial Bank.

Mr. B. Venkataratnam, (Madras).—I know only the conditions in Madras. Up to 5 or 6 years back in Madras all the surpluses used to be invested by District Boards in the local central banks. But then the Government, seeing the failure of this practice in some central banks in some other province (a voice: in Burma) passed an order to the effect that no funds of local bodies should be deposited with central banks. They amended their order to the effect that the District Boards and Municipi-

palities could invest with central banks only to the extent of their share capital. Share capital is their own money. The Government were not pleased with that and recently passed another order excluding provident fund accumulations from the scope of such deposits. Provident fund accumulation is a permanent investment. But with the passing of the G.O. it has become a difficult problem for us. We were getting Government deposits also for three years from District Boards. As regards confidence of the public, they will never approach any central bank, unless they have confidence. Wherever they have got confidence in any central or district bank the local bodies have invested their funds with the permission of the Registrar. In some provinces the Registrars wanted to allow the local bodies to deposit their funds with the banks, but their hands were tied down by the Governments. As all money of the local bodies, such as district boards and municipal committees, is public money, it should go to public banks.

Mr. W. Zaman, (Bengal).—Our Registrar addressed the Government to permit the investment of funds of not only the municipalities and district boards, but also other institutions which require Government permission to invest funds. In Bengal we found this difficulty. The Dacca University wanted to invest with the Bengal Provincial Bank. But as the Government did not permit it the amount could not be obtained by the Bank. I therefore suggest that the resolution may be amended to read as 'various public bodies like the Municipal District Boards Universities etc.'

The President.—If the Registrar recommends a certain central bank, he does it as Registrar but has no personal responsibility. However, when a deposit is placed with the recommendation of the Registrar, the Government's responsibility to return the deposits becomes stronger

Mr. J. G. Bhandari, (Punjab).—In the Punjab no Government Orders are necessary. The Registrar and the Financial Adviser fix the amount of deposits that each bank can receive, say to the tune of Rs. 2 lakhs. It is entirely a question of ourselves. Each Bank is authorised to take deposits up to the amount fixed. No doubt there have been some difficulties recently on account of the war.

Mr. Y. N. Ballal, (Nagpur).—In my opinion the words 'lack of funds' should be replaced by 'lack of adequate funds.'

Rai Bahadur Sanat Kumar Chatterji, (Bengal).—If that be so in some Provinces, similar permission should be given to banks in other Provinces. Supporting the resolution I suggest the following addition:—"as is the case in some Provinces and States."

The resolution was passed with the amendments.

Resolution No. 2.—*In view of the fact that the co-operative movement needs urgent expansion and a number of district and central banks find it difficult to organise and finance new societies due to lack of adequate funds, resolved that Provincial and State Governments be requested to permit various public bodies like the Municipal and District Boards and Universities etc., to deposit their funds with those financially strong co-operative institutions which may be recommended for this purpose by the Registrar Co-operative Societies, as is the case in some Provinces and States.*

Item No 16 (a).—With a view to encourage members of co-operative societies to purchase cattle of improved breed from good breeding centres and with a view to get back cows and buffaloes of improved varieties, which are disposed off at very low prices after lactation period at big cities like Calcutta, resolved that Government be requested to order the railway companies to allow special concession to co-operative societies, in case they get a wagon load of such cattle at a time.

Rai Sahab Dalip Mansingh, (U P) moving the resolution said:—I do not speak on this subject from any religious point of view. I want to place before this House the few facts I know. When I happened to be at Calcutta, I saw very big number of cattle for sale and I learnt that they were sold to butchers. I do not speak for any particular province. This is a great question. I know that the Government are making efforts to improve the breed of cattle, but it is very costly to maintain cattle after their lactation period is over. So the general practice in cities is that they are sold at a very low price after their utility is lowered. In case Government allow some concession to co-operative societies, which may order for a sufficiently large number of cattle at cheaper prices, and also send them back to rearing tracts after lactation the breed of cattle will improve. So in very big cities we can arrange these cattle to be sent to places where they are wanted after lactation period. In this way the work of the Government for the improvement of breed will have great expansion.

Mr. A. G. Sharma, (Indore).—The term cattle should include sheep. In India there are many people who do not own lands. There are labourers working for wages. If they get a unit of 50 herd of sheep with good rams, they can get a fine fleece after the third generation. The price is handsome, for instance Rs. 18 per maund. If the fleece be of improved variety it will fetch Rs. 50 per maund. So I suggest the insertion of the word 'sheep' in the resolution along with cattle.

The following resolution was then carried.

Resolution No. 3.—*With a view to encourage members of co-operative Societies to purchase cattle and sheep of improved breed from good breeding centres and with a view to transport cows and buffaloes and sheep of improved varieties which are disposed off at very low prices after their utility is lowered, at big cities like Calcutta, resolved that Government be requested to introduce special concessional railway rates to co-operative societies.*

At this stage the President closed the morning session.

The delegates assembled again at 2 p.m. for the afternoon session for transacting business.

Khan Mohammad Bashir Ahmed Khan pointed out that it was customary at the Conference that every delegate should introduce himself. This was duly done.

Item No. 17. (a) Resolved that Government be requested to allow total remission or reduction in irrigation charges in case the crops of cultivators are totally destroyed or suffer considerable damage by inadequate supply or lack of supply of canal water at the proper time.

(b) Resolved further that there ought to be at least one non-official representative of the co-operative societies in the Divisional or District Canal Committees constituted by the Government, to safeguard the interest of the members of co-operative societies.

Mr. Dalip Mansingh, (U.P.) the mover of the resolution said:—The resolution is quite plain. It is the practice in my part of the Province for the Canal Officers to collect much money without any regard for the condition of crops and whether they supply water or not to the agriculturists. The result is that cultivators are badly treated by Canal Officers. Everything is realised and nothing is produced. In U. P. there are some Canal Committees, but such Committees have no life in them. If co-operative banks are interested in the welfare of the cultivators, it is necessary that representatives of co-operative societies should be on these Committees.

Sir M. G. Deshpande.—In my opinion, there is no use of discussing this resolution here. For, whenever crops fail, Government reduce land revenue. If the agriculturists approach the Government, they can get the remission where desired. It is the duty of the sufferer to approach the Government. What is the use of moving such a resolution in a Co-operative Conference?

Mr. A. G. Sharma.—Unfortunately our agriculturists belong to the voiceless class of poor people, not to think of making any representation at all. The Government no doubt is very sympathetic. It is in the interest of the agriculturists as a whole that this resolution has to be passed.

Sir M. G. Deshpande.—It has nothing to do with co-operation.

Pt. Raj Nath Kunzru.—The resolution has a lot to do with co-operation. As a matter of fact in our Province these co-operative societies collect dues, and pay to the Collector. But they find it very hard to collect dues when crops fail. These societies have been making representations to Government, but they have all fallen flat as the Government have no sympathy with the agriculturists or the movement. It is therefore that the matter has been placed here. You should not reject the resolution on grounds of technicality.

Mr. D. Mahalingam Pillai, (Madras).—No doubt the resolution is meant for redressing the grievances of the agriculturists. But we here as co-operators should discuss subjects that are connected with our movement and there will be no end if we say that everything has got some connection with co-operation. There are institutions and also organisations to consider the problems outside the co-operative field. I should say that it is beyond our scope.

Mr. Dalip Mansingh.—If you will go through the agenda you will see that there are several subjects which do not deal directly with co-operation. After all our aim is to improve the lot of members of co-operative societies. So I think it is absolutely necessary to pass this resolution because the voice of this conference will have a greater weight on Government than that of the poor agriculturists.

The following resolution was then declared passed.

Resolution No. 4.—(a) *Resolved that Government be requested to allow total remission or reduction in irrigation charges in case the crops of cultivators are totally destroyed or suffer considerable damage by inadequate supply or lack of supply of canal water at the proper time where such a rule or practice does not now exist.*

(b) *Resolved further that there ought to be at least one non-official representative of the co-operative societies in the Divisional or District Canal Com-*

mittees constituted by the Government, to safeguard the interest of the members of co-operative societies.

Item No. 18.—As execution of awards through civil courts takes a long time, Governments of Provinces and States may be requested to give powers of execution of awards of co-operative societies to the Registrar of Co-operative Societies of those Provinces and States.

Khan Mohammad Bashir Ahmed Khan.—In our Province the Execution of Awards Unions have been formed just to avoid the difficulties which the societies feel. The societies endorse in favour of the Union and the Union executes the decree.

Mr. N. Satyanarayana.—The procedure in Madras is very convenient. The power of execution given to the Registrar could be passed on in succession to the Deputy Registrar, the Inspector etc. It is a very simple system.

President.—Is it necessary that in certain Provinces a decree be executed through Civil Courts? Will you please give the details of such practice? The question is one of law, and therefore it should be thoroughly thrashed out before the Conference is called upon to vote on it.

Mr. S. B. Maqbul Ahmad, Dy. Registrar of Co-operative Societies, Kashmir.—In our State the Government have given power to the Revenue Courts for the execution of awards. The Revenue Courts take less time than Law Courts. As the Revenue Officers are busy, we give that power to the Circle Auditors. I think that this resolution suggests that this power should be given to the Registrar, and in our new bill we have made a provision that this power should be given to the Registrar. I think it will be useful.

Mr. V. L. Mehta, (Bombay).—In Bombay the procedure is somewhat different. We have a special staff attached to the Office for this work. Execution is done through the Collector. Before they can execute a decree, the Assistant Registrar in charge will be referred to. The matter is entirely under the control of the Registrar and there is no need for the power of execution of these awards to be given to the Registrar of Co-operative Societies. As the Revenue authorities are overburdened, they have a special staff and these officers are empowered to execute the awards. They are officers of the Revenue Department. Personally I feel that it will not be a wise course for us to facilitate the execution of these awards through coercive action, which is controlled by a machinery, where the arbitration authority, the appellate authority and the executive authority is morally responsible. I do not know whether it is not a slippery path and unless there is a strong case, as far as possible we should avoid to pass the resolution.

Rai Bahadur Sanat Kumar Chatterji.—In Bengal we have the power of putting the property to sale without the intervention of the civil court.

Mr. V. Appa Rao, (Andhra).—I come from a Province where the Registrar is given powers and I know I am dealing with a delicate problem. There is much discontent prevailing among the co-operators. Though there may be justice there is a sense of despair prevailing in this respect. There is a principle involved in this and I think, if the procedure is to apply to the whole of India, we have to proceed very cautiously. I am not against this.

Mr. D. Mahalingam.—Under Section 57 A of the Madras Co-operative Societies Act, the Registrar is given power to execute certain decrees. In the same connection, I would also refer you to the rules 57 A, of the Act; and say that there are some defects in the law prevailing in Madras where the Registrar is given extensive powers to execute an award. The only difference is that we cannot expect speedy recoveries. If the house thinks that there ought to be a change in the execution of proceedings and whether the department should be given power or not details have to be worked out elaborately, in the interest of the movement, to constitute some authority to expedite the matter.

Mr. K. C. Karumbayya, (Coorg).—We have copied the Madras Act. It has been in force for the last four or five years. It is working satisfactorily and several village societies have been much benefitted. Whatever the legal point of view, it is working very well for us and the change of procedure is very good with regard to execution also.

President.—Then it comes to this. This work of execution of civil court be supplemented by a power to be given to the Registrar of every province. If the principle is accepted, the details will take care of themselves.

The resolution as follows was accepted in principle.

Resolution No. 5.—*As execution of awards through Civil Courts takes a long time Governments of Provinces and States may be requested to give powers of execution of awards of Co-operative Societies to the Registrars of Co-operative Societies of those Provinces and States as in Madras.*

Item Nos. 12 and 13 of the agenda as follows were taken up together for consideration.

Item No. 12.—Development of Co-operative Sale Societies: their finance. Help by the Reserve Bank of India.

Item No. 13.—To recommend to the Reserve Bank of India that a concession in the form of a lower rate of interest (as compared with other clients) be granted to co-operative banks when they seek accommodation under the provisions of Section 17 of the Reserve Bank Act.

Mr. V. L. Mehta moved the Resolution on the above:

Dewan Bahadur H. L. Kaji, in supporting the resolution said—“Mr. President and other Co-operators and representative of the Reserve Bank of India. My esteemed friend Mr. Mehta has just read the resolution which I have much pleasure in supporting. This is an occasion when the Reserve Bank has got a good chit from Co-operators. Mr. Mehta has laid stress on some important points.”

Mr. J. G. Bhandari, Financial Adviser, Co-operative Societies, the Punjab.—My esteemed friend, Mr. Mehta, in his resolution says “The Conference while appreciating the arrangement for the grant of rebate in interest on accommodation obtained for the purpose of marketing of crops requests the Reserve Bank of India to extend the arrangement of accommodation granted also for the financing of seasonal agricultural operations.” I want to draw your attention to the 2nd part of the resolution and say a few words. The other day I was reading the report of the committee appointed by the League of Nations to report on the systems of agricultural credit and the agricultural insurance. Summing up that report, I will refer briefly,

to the points referred to in the report for your serious consideration. Private banks have some experience of this. The trouble is that they have only limited funds for this purpose, and they mostly finance trade and industry. The size of our agricultural holdings is not large as in America, Germany or Australia. The agriculturists cannot afford to pay the same rate of interest as others. So agricultural credit has been a problem. Agricultural credit must have a lower rate of interest and it is to this fact that we are drawing the attention of the Reserve Bank of India. There are co-operative sale societies working in Madras and the Punjab for the sale of cereals, wheat and some others. We produce wheat, mustard and cotton on a large scale. As it is most of these commercial banks and the Imperial Bank issue loans on this security. They charge something like $5\frac{1}{2}$ per cent interest. With the recent accommodation facilities it is easily possible for the Reserve Bank to finance the movement. My own idea is that if you organise societies on the lines of Madras Societies or on the lines of Gujarat Cotton Sale Societies within the next four or five years, we may require 40 to 50 lakhs of rupees. The present rate of interest of $5\frac{1}{2}$ per cent must be lowered to something like 2 per cent by that time. There is great scope for large business. So I think we should press on the Reserve Bank of India to consider seriously the question of lowering this rate of interest only for granting finance on the strength of produce. We want this also to be extended to agriculture and later on to that for other bonafide needs of agricultural credit. They should make arrangements for advancing money at lower rates of interest.

Mr. Rana Sher Jang Khan, Representative of the Reserve Bank of India, Agricultural Credit Department.—As you may be aware, there are three sub-sections in the Reserve Bank of India Act which lay down conditions or the subjects of agricultural finance. Under Section 17 (2) (b), the Reserve Bank is authorised to purchase, sell and rediscount promissory notes and bills which are drawn payable in India, which bear two or more good signatures, one of which is required to be of a Provincial Co-operative Bank or a Scheduled Bank. These promissory notes must be payable within nine months from the date of such purchase, sale or rediscount. As we said, under this Section, the Co-operative Societies and the Provincial Banks can get accommodation from the Reserve Bank for the purpose of financing agricultural operations and marketing of crops. Sub-Section 17 (4) of the Act authorises the Reserve Bank to make advances payable on demand or for fixed periods not exceeding 90 days from the date of borrowing from the Reserve Bank, of course through Provincial Co-operative Banks. You will be interested to note that we have been giving more extensive and valuable help to agriculturists. The first important attempt that we made in the direction was in 1937, when we prepared a scheme under which we proposed to rediscount the bills of good money-lenders coming through scheduled banks. The first condition was that the bill must have been drawn up for financing cultivators and the second condition was that of course this bill should be rediscounted and the third condition that we laid down was that the benefit of rebate was to pass on to agriculturists. To ensure this we suggested that the scheduled banks must specify their needs and the money-lenders must agree to pass on the rebate to the cultivators. You will naturally enquire why we did this through money-lenders. You know the money-lender is the largest supplier of agricultural finance. Co-operative marketing was not much developed and naturally finance to the agriculturists had to be supplied only in that way. We also asked the scheduled banks to make any helpful suggestions. But we were very much disappointed that this scheme did not carry any weight with the scheduled banks. They were not able to work the scheme. Their first difficulty was that

small agriculturists could not avail of this facility. It was the land-lords and the dealers who required this finance and these people could get the finance needed on easy terms and special rates. The second difficulty that they pointed out was that they could not dictate terms to the money-lenders. Due to the relations which existed between money-lenders and the agriculturists the money-lender was not inclined to utilise his money in the business. On account of these reasons the scheme had to be abandoned. Now this scheme to which Mr. Mehta has just now referred is based on more or less the same lines. As you said we have indicated that for the present credit for the marketing of crops is available from the Reserve Bank under Sub-Section 17 (4) and we made an offer in our recent circular to Provincial Banks to avail of this facility. The C.F. and Berar Provincial Co-operative Bank replied that they see no prospect of accepting this offer because they have not got any marketing or sale societies. They have got ample funds of their own to manage the finance of agricultural operations. In Bihar, the Bank does not find itself in a position to borrow from the Reserve Bank. In Sind, since Professor Kale's report one sale society was working and that sale society was self-supporting and there were no central banks in Sind.

Under Section 17 (4) (b), the Reserve Bank is authorised to make advances to Provincial Banks and scheduled banks against promissory notes supported by documents of title to goods assigned to such banks. As regards overdraft against such documents, as you would see there are 3 conditions. The first of these is very ordinary, that the loan would be made on the pro-notes of the Provincial Co-operative Bank. The second is that it should be payable within a period not exceeding 90 days. The third is that these pro-notes must be supported by documents of title to goods or pledge of actual goods.

In due course of time we would be prepared to extend the same concession for agricultural operations. Now the only advances that will be left out under the present Act are those which relate to borrowings against Government paper. At this stage I would say that the Reserve Bank is the lender of the last resort. It is only in times of financial stringency that the central banking institution should be called upon to supplement the funds that are wanted. The main function of the Reserve Bank is to create conditions to get money at lower rates of interest, and this is what the Reserve Bank has been doing.

The following resolutions were then passed:—

Resolution No. 6.—(1) *The Joint Session of the Indian Provincial Co-operative Banks' Association and the All-India Co-operative Institutes' Association welcomes the scheme formulated by the Agricultural Credit Department of the Reserve Bank of India relating to rediscounts for and advances to Provincial Co-operative Banks and recommends Provincial Co-operative Banks wherever possible, to avail themselves of the facilities outlined in the scheme. The Conference while appreciating the arrangement for the grant of rebate in interest on accommodation obtained for the purpose of marketing of crops requests the Reserve Bank to extend the arrangement to accommodation granted also for the financing of seasonal agricultural operations. In the opinion of the Conference, the grant of this concession, necessary as it is from the point of view of lowering the cost of credit for the agricultural borrower, will also be helpful in inducing co-operative financing agencies to take advantage of the new arrangements and thus to establish closer contact with the Reserve Bank of India.*

(2) This Conference notes that in view of the interpretation placed by the legal advisers of the Reserve Bank of India on the wording of Section (17) (4) (d), of the Reserve Bank of India Act, it is not permissible for the Reserve Bank of India to make advances under this provision of law which was intended for developing marketing credit in India, the Conference urges upon the authorities of the Reserve Bank of India the need for getting suitable amendments made to the wording of section (17) (4) (d) so as to enable the Bank to grant accommodation for the financing of seasonal agricultural operations or the marketing of crops on a secured basis against promissory notes supported by the security of goods on which the Reserve Bank can realise its dues if necessary.

(3) This Conference further recommends to the Reserve Bank of India that on the analogy of the relations subsisting between the National Banks, State Banks and Semi-State Banks in foreign countries with the agricultural credit institutions of those lands, special credit system should be evolved for the financing of agricultural societies on lines suited to the requirements of the country, keeping particularly in mind the need of lowering the rate of interest for the agricultural borrowers.

At this stage the conference adjourned for tea.

At 4-30 p.m. on reassembling, item No. 14 of the agenda was taken up.

Item No. 14.—To consider whether a more or less uniform standard can be adopted for the appraisal of bad and doubtful debts of the Provincial banks, Central Banks and Central Land Mortgage Banks on the lines recommended by the Reserve Bank of India.

Mr. Muiraj Bhai, (Punjab).—In the Punjab so far we have no difficulty as such we have been showing such bad debts. For instance in the case of central banks and the Provincial Bank we show the amount of bad and doubtful debts. The Reserve Bank is now insisting that every co-operative bank should give due publicity to its bad and doubtful debts and overdues as regards principal and interest. I really feel that the central banks and Provincial Banks should assess their bad and doubtful debts as far as possible. The difficulty is that the Provincial Bank is not able to do this unless the position of societies and central banks in this respect is accurately assessed. Recently there was a conference in the Punjab. It passed a resolution to the effect that in principle all banks agreed to show bad and doubtful debts but these cannot be easily ascertained in the course of ordinary audit. In the Punjab in the district of Gurgaum an effort has been made by the Department to assess and show these bad and doubtful debts in the balance sheets. There has been a difference between the estimate of these debts made by the professional Auditors and the departmental officers. In one particular case the auditors assessed the bad debts of a central bank at Rs. 5,000 but the departmental officers held that bad debts in that particular bank would be three times as much. This difference is mainly due to lack of any definite plan to assess bad debts. The commercial auditors have criticised the method adopted by the Department. This question will, however, be referred to the Assistant Registrars' Conference which is going to be held shortly. We should have an agreed method whereby we could assess bad and doubtful debts. As far as the resolution moved by me is concerned it states that in principle we accept that bad and doubtful debts should be shown in the balance sheets of co-operative banks. The question is what would be the proper and uniform system by which we can ascertain the amount. With these words I commend the resolution.

Mr. Lakhe, (C P).—As constitutions differ in different Provinces, there cannot be any uniform system for all.

Mr. A. G. Sherlekar, (Indore).—The resolution and the Reserve Bank's letter indicate as if we have been deliberately avoiding the showing of bad and doubtful debts in the balance sheets. Each Province finds it difficult to accurately assess bad debts. Let us therefore know how bad and doubtful debts are to be assessed. I do not understand the necessity for a resolution on this subject.

Mr. Sharma, (Indore).—I think a Conference like this should examine the practice prevailing in each Province or State though there might be some defects. I too do not understand the necessity for this resolution.

The President.—All Co-operative Acts have got audit sections, and it is the duty of the auditors to assess and show bad and doubtful debts.

Mr. A. G. Sherlekar.—Then it is a reflection on the work of the Registrar. I may most respectfully submit that it amounts to saying that they are not discharging their duties properly, and as such the Reserve Bank has tendered its advice.

The President.—Remove the advice of the Reserve Bank off your brain.

Mr. A. G. Sherlekar.—The proposition as it is does not serve any purpose. Probably another form of resolution may have to be framed.

Mr. P. S. Daghat.—Our Province has been making mention of bad debts in the balance sheets. My friend, the mover of the resolution, says that the Government has been very optimistic in the assessment of its debts. We have exactly the opposite experience. We say that our bad and doubtful debts are over-estimated by the Department and therefore it will be evident from these facts that these figures are fictitious figures and cannot show the true state of affairs. Unless a uniform method is adopted, it could not be judged. Unless there is a basis for mentioning a particular debt as bad, there is no use of showing a figure which does not show the real position of the Bank. I would like this conference to lay down certain principles for the estimation.

The President.—The mover wants you only to make adequate provision for such debts.

Mr. Rana Sher Jang Khan (Reserve Bank).—For the information of the Conference I may say that we have not set up any uniform standard for the estimation of the bad and doubtful debts. Before I come to the question whether any standard is possible, I must say that we have laid down no standard for the estimation of bad and doubtful debts. As soon as we came into contact with the various co-operative departments and the co-operative banks we found that taking India as a whole the co-operative banks were not working on sound banking lines. Of course there are exceptions. So we thought that if we could study this problem and contribute to the sound working of the movement, if we could suggest some method of bringing the co-operative banks as near to sound banking principles as possible without in any way changing the co-operative character of the institutions we would be rendering a service to the movement. In the beginning of 1937 we issued a circular to all the Provincial Banks and the Registrars. From the replies that we received we found that in most of the provinces bad and doubtful debts were not assessed. There

were a few exceptions. Coming to the Punjab there was no system for assessing the bad and doubtful debts. In the primary societies they did not assess bad debts. The assessment of these bad debts in the central banks and the Provincial Banks was essential.

Mr. N. Satyanarayana.—Primary Societies' bad and doubtful debts need not be shown in the Provincial Banks' Balance Sheets, as they carry unlimited liability.

Mr. Rana Sher Jang Khan.—You cannot expect the primary societies alone to bear the brunt. Estimation of all bad and doubtful debts is essential. It is the A.B.C. of sound banking. It is essential not only from the point of view of banking but also co-operation and there is no escape from it. So you must devise a way in which you should do it. It may be difficult. We suggested in a circular that the auditor while auditing the societies must be placed in a position to assess its bad and doubtful debts. No audit is complete unless this is done. Those figures should be verified by the financing agency or the Directors of the central bank. We also mentioned that our experience of the co-operative movement in India had shown that, generally speaking C and D class societies had 50 per cent of their debts as bad and doubtful. I agree that there is great difficulty in finding out the exact amount of bad debts, however, neither from banking point of view nor from the legal point of view, there is any escape from this estimate.

Rai Bahadur S. K. Chatterji.—What is the principle to be applied in such estimation.

Mr. Rana Sher Jang Khan.—You cannot lay down any uniform rule about these things. But I can quite appreciate the difficulties in getting an accurate estimate.

Mr. A. G. Sherlekar.—At the outset I have already explained that it is most difficult. Our friend from the Reserve Bank tells us that it is a legal obligation and that it is also the duty of the auditors to assess these, but we have not been told how to do this.

Mr. Rana Sher Jang Khan.—The most elementary duty of the auditor is to draw up a balance sheet, which correctly shows the financial position of the institution he audits.

Mr. A. G. Sherlekar.—I am not denying that. I am only pointing out that it has to be done even under provisions of law. Now coming to the point really it is very difficult to pass a resolution of a general character like this. You may mislead your shareholders and depositors by a wrong estimate. So in this matter I would request the procedure to be laid down. This matter needs therefore a thorough discussion.

Mr. J. G. Bhandari, Financial Adviser, Co-operative Societies, the Punjab.—Co-operative banking is quite different from ordinary banking. In an ordinary bank the manager is all in all and he knows the minutest details. The managers of co-operative banks comparatively do not possess the requisite knowledge. Advances to societies are made in the Punjab on the recommendations of the Department. The Manager of a co-operative bank has no occasion to assess the repaying capacity or the value of the property of the borrower. Moreover he thinks that it is not his business. There is more in the resolution than what you think. I suggest that representatives of each Province or State should come and

explain the procedure adopted for assessing bad debts in their respective provinces at present.

Mr. A. G. Sherlekar.—We have to show bad debts as losses. Though in principle it is necessary to show this, the difficulty is as to how to assess them.

The President.—In principle it is necessary for you to show bad debts in balance sheets. The difficulty is whether we can do so correctly.

Mr. Rana Sher Jang Khan.—The estimation of all bad and doubtful debts is going on in some provinces. The question has been taken up in C.P. and in Madras and they have been doing it for a long time.

Pandit Raj Nath Kunzru.—It is agreed that bad and doubtful debts must be shown in a balance sheet. I do not find any difficulty in doing that. There are provinces which have been doing that. It cannot be done if we have no mind to do it. We cannot lay down one principle for the whole country. The conditions of various provinces differ. There is no difficulty about the principle but it is with regard to the working out of a system. All joint stock banks do not show bad debts on one and the same principle. A system can easily be evolved for co-operative banks.

Mr. A. G. Sherlekar.—I do not agree with my friend.

At this stage the Conference adjourned for the next day.

5th April, 1942.

The Conference resumed the discussion on the resolution regarding bad and doubtful debts at 8 a.m.

Mr. N. Satyanarayana.—In Madras we have been doing this work successfully in the sense that our auditors examine individual loans at the time of their audit with the help of societies or the banks concerned and prepare a list of bad and doubtful debts. But from such figures of bad and doubtful debts one cannot conclude that they are irrecoverable. They may be recovered in a year or two. The point is this. The bank or the society itself prepares the list of bad and doubtful debts. The auditors examine them. We have got a separate bad debt reserve, out of which we write off the amount of bad debts. The bad debt reserve of the societies is invested with the central banks and that of the central banks with the central bank itself. We take away out of our profits 20 per cent to the bad debt reserve. Whenever we write off anything we consult the central bank. The central banks and primary societies are annually setting apart some portion out of profits as bad debt reserve. In our province the total bad debt reserve is as much as Rs. 50 lakhs.

Mr. A. G. Sherlekar.—I want to know how the bad debts are assessed. Are they assessed on the basis of immovable property or on the repaying capacity of a member.

Mr. N. Satyanarayana.—In Madras this question was thoroughly examined by a Committee. While advancing loans we examine whether the man has got repaying capacity and we take surety also. If members and sureties have got no repaying

capacity, we recommend to the Registrar to write off the bad debts out of the reserve fund. There ought to be a thorough examination of each loan by the Panchayat and then it is examined by auditors. We want efficient staff for this purpose. There is no use in keeping this loss in the books of the banks.

Mr. A. Ahmad, I.C.S., Registrar of Co-operative Societies, Bengal.—If the method of assessing bad and doubtful debts is to be of any practical use, it must be capable of easy application. The experience of other provinces, I think, is the same that it is difficult to assess bad and doubtful debts. In 1936 we evolved a scheme whereby bad and doubtful debts could be accurately assessed. The results were; firstly, the method was not easy to be understood by the staff that was entrusted with the task, secondly, it was so elaborate and so laborious that either the work was not done at all or it was skipped over. When efforts are made to find out the bad debts of a member, the member tries to conceal. The result is that correct figures are not available. It is almost impossible to accurately assess bad and doubtful debts. It is therefore very essential that the method should be simple and easy of application so as to be capable of repetition every year. In my view it is unnecessary to try to get an absolutely accurate estimate of bad and doubtful debts, as such bad debts of to-day may become good debts of to-morrow. Therefore, what we want is a rough and ready method, easy of application each year and capable of giving us a reasonably accurate idea of what bad and doubtful debts are likely to be. Working on these premises we have now drafted rules in our province. In these rules I have provided two definitions. What I have in mind is roughly this. In the case of doubtful debts the main criterion should be the repaying capacity of members. In the case of bad debts the main criterion should be the assets of the member and the assets of the sureties of the member. Now regarding the repaying capacity, repaying capacity is an extremely difficult thing to estimate. I find that for practical purposes a good way of assessing the repaying capacity is to see the actual payments made by the member. These indicate his repaying capacity.

DOUBTFUL DEBTS.—If a member fails to repay for three consecutive years without a reasonable cause, at least 25 per cent of the instalments of principal and interest fixed for repayment of the loan at the time it was given and if on an examination of his assets and the assets of his sureties, the debt appears to be covered by the value of his assets then that debt will be considered as doubtful.

BAD DEBTS.—Where the amount due by a member to a society by way of principal and interest is not covered by the aggregate of his assets and the assets of his sureties, and the arrear interest exceeds 3 years' demand, such debt shall be considered as bad.

A doubtful debt, if not recovered after action has been taken to recover it or if it is barred by limitation becomes bad. Now the Act lays down that if there is bad or doubtful debt which is not adequately covered, then no dividend or bonus will be declared without the consent of the Registrar. We have been compelled against our better judgement to reduce the method of assessing bad and doubtful debts to an easy formula.

Mr. D. V. Rege, I.C.S., Registrar of Co-operative Societies, C.P. & Berar.—In this province we have got a circular for estimating bad and doubtful debts. (After reading the circular concerned, he continued). We take into consideration the assets of the man for estimating bad and doubtful debts. In C. P. up-till-now occupancy

lands were not alienable, but since last year an amendment has been made to the Tenancy Act, which enables co-operative societies to sell lands of members in recovery of their dues. So we are now taking the value of lands into consideration. Secondly, surety-liability is also taken into consideration in estimating bad and doubtful debts of banks. We also take into consideration the joint liability of members. Of course these are all estimates and we cannot be very sure about our figures. As has been pointed out by previous speakers some of the estimates prove correct and it has become specially so in C.P. I think this is a rough and ready formula which we have found very satisfactory in our province, but I think it is not possible to lay down a uniform formula as to how to estimate these bad and doubtful debts very correctly.

Mr. Murtaza Ali, Assistant Registrar, Co-operative Societies, U.P.—We have been assessing bad and doubtful debts of the societies and central banks from 1927 onwards. At the time of annual return the Supervisor in consultation with the Panchayats estimates bad debts. If there is any difficulty, the matter is reported to the Inspector. The auditor also makes individual enquiries and tries to compare his findings with the above. If there is a difference, the matter is referred to the Assistant Registrar. If sufficient provision to cover bad and doubtful debts does not exist, no distribution of dividend is allowed. If one-third of the reserve plus overdue interest, which has been excluded from calculating the amount of divisible profits, do not suffice to meet the bad and doubtful debts estimated by the auditor, no dividend is allowed. Dividend is allowed at a graded rate in accordance with the availability of distributable profits, provided the bad debts are adequately covered. I agree that it is very difficult to find out the bad debts of individual members. By having an estimate, a fairly accurate idea of the bad debts of central banks could be obtained.

Mr. G. Lakshminarsu, (Secunderabad).—Everybody seems to agree that it is necessary to estimate bad and doubtful debts as accurately as possible. The only thing about which there is a considerable difference of opinion is about the difficulties in the method of estimating bad and doubtful debts. There is no use making too much of these difficulties. If we cannot tackle these difficulties and arrive at a certain acceptable formula, obviously we are incompetent to manage the societies or institutions which are under our control. We have to face these difficulties, put our heads together and draft some formula which will enable us to get over these difficulties. In Bengal it was said that the staff is not capable enough to understand the implications of the elaborate method of assessing repaying capacity. If the existing auditors and personnel are not so very efficient or competent to understand the new methods of assessing bad and doubtful debts, it is our business again to train them on better methods. The proposition is in itself simple. The suggestion made by the Reserve Bank is that a proper estimate of the bad and doubtful debts must be made and they must be shown in the balance sheets. About that there is general agreement. Then this Conference must express whether it welcomes this suggestion, or whether it has any objection, serious or otherwise, to adopt this procedure. Obviously I see that there is no such objection. I would, therefore, suggest a simple resolution for the consideration of this Conference. The resolution I propose to move is that:

This Conference welcomes the suggestion of the Reserve Bank and urges upon all the co-operative banks to adopt a procedure of appraising bad and doubtful debts and as there are obviously certain difficulties, every province or State may form its

own formula to have a proper estimate of the bad and doubtful debts and show these in their balance sheets.

Mr. A. G. Sherlekar, Registrar of Co-operative Societies, (Indore).—In Indore there are certain special features so far as this problem is concerned. Our Act provides a first charge for co-operative societies on the movable and immovable property of members. There the Tenancy Act lays down that an agriculturist cannot mortgage his land nor can he sell it to any one who is not a bonafide agriculturist. So the problem is simplified to a certain extent. The present method is that the immovable assets of a member are taken into consideration. In assessing the bad and doubtful debts of the central bank joint and several liability of a member is to be taken into consideration. In my opinion paying capacity is a proper basis. It involves some labour, but the labour is worth taking. I think the problem is not very big. We assess bad debts of individual members on the basis of repaying capacity. In the case of dry land the estimated repaying capacity is Rs. 1-8-0 per acre. The estimate of recovery is Re. 1 per acre. If the debts are not recoverable in 20 years, then the debt is a bad one.

The President.—Joint liability has nothing to do with bad and doubtful debts. Joint liability comes when the society is cancelled. We are dealing with live societies. Therefore with live societies the question is what is the status of an individual borrower who has borrowed from the society. As the Bengal Registrar has pointed out he has tried to define bad and doubtful debts and has also pointed out certain difficulties in estimating these debts. To my mind the difficulties are of our own making. Whether a particular debt is bad or doubtful has to be decided in examining each case on its merits. That is what everybody does.

Mr. Sharma, (Indore).—If working on this basis a balance sheet is drawn up and it is found that a bank cannot make adequate provision for bad and doubtful debts, the depositors take a serious view of the matter and there is a rush on the bank. After all a co-operative bank is to be run mostly on deposits and it is a matter for consideration whether such bad debts the estimate of which is liable to fluctuate should be shown in the balance sheet.

The President.—This simply means that the bank is in a state of what is called insolvency. The Registrar would not allow the balance sheet to be passed. There are definite sections in the Co-operative Acts in all provinces to the effect that where the Registrar is doubtful about the financial position of any bank, and as soon as he finds from the balance sheet that it is impossible for the bank to make provision for bad and doubtful debts, he will revise the figures, and even after revision if he comes to the conclusion that it is impossible to make provision for any really bad and doubtful debts then surely there is a case for this society being looked after by somebody else.

After this discussion, the amendment proposed by Mr. G. Lakshminarasu was dropped and the original resolution as follows was passed.

Resolution No. 7.—This Conference accepts, in principle, the suggestion of the Reserve Bank that bad and doubtful debts should be assessed and shown on the balance sheet by the Provincial Banks, Central Land Mortgage Banks and the central banks and recommends to the banks concerned that even if accurate and precise calculations are not practicable, estimation of such debts as best as possible should be made with adequate provision for them.

The President.—I propose to take up the more important of the various subjects put forward on the agenda. We shall therefore take up item No. 44, which reads as follows:—

Item No. 44.—That no audit fee be charged from a co-operative society for a year in which its accounts are not audited.

Pt. Raj Nath Kunzru, (U.P.).—It does not need much argument to commend this resolution for acceptance. My point is that Government should not make audit fees a source of their income. They should charge such fees for the services rendered; not for services not rendered, or services to be rendered at some future date. Our trouble in U.P. is that all the societies are never audited in any one single year nor have the Government got sufficient staff to do that and yet we have to pay audit fees which make a heavy charge on the slender revenues of societies. That is a simple proposition. Government must help us in this matter and forego audit fees in respect of societies which they are unable to audit in a year.

Mr. D. V. Rege, I.C.S., Registrar of Co-operative Societies, (C.P.).—Generally we have audit every year in this province. We do not make any profit out of it. But in the last two or three years, we had biennial audit, with the permission of Government. But still we recovered audit fees every year because we have to do double audit in the next year. But this is only a temporary thing.

Mr. B. Venkataratnam. (Madras).—In Madras the Government do not charge any fees for audit of primary village societies. Audit has to be completed within the year itself. I think that all Provincial Governments should give the same facility to societies.

The President.—So far as the question of audit fee is concerned the Governments of Bombay and C.P. are adamant. I can, however, tell you in confidence that the Registrars are always with us, but in spite of that Governments said that they wanted money. I do not think any useful purpose will be served by discussing this question further. The resolution may be passed.

The resolution No. 8 as follows was passed unanimously.

Resolution No. 8.—*Resolved that no audit fee be charged from a co-operative society for a year in which its accounts are not audited.*

The following resolutions were moved from the Chair and passed unanimously.

Resolution No. 9.—*The Co-operators of India assembled in Conference here do solemnly believe that the present titanic struggle in which the world is involved is mainly due to a maladjustment of distribution and express their fervent hope that the new world order will be based upon dominant co-operative ideal of distributive justice.*

Resolution No. 10.—*As the war has created severe economic distress which has been further aggravated by the dislocation of transport, this Conference urges upon co-operative organisations in India to take immediate steps:*

1. *To promote an increase in the acreage of food and fodder crops,*
2. *To arrange for the adequate stock and supply of food-stuffs and other necessities of life, and*
3. *To stimulate the production of finished goods on cottage industry basis in rural areas.*

Resolution No. 11.—This Conference strongly urges on the Government, while distributing orders for the supply of war and other requirements, to give preference to the products of Industrial, Marketing and other Co-operative Societies and for the purpose to utilise the agency of the co-operative departments to stimulate the production and supply of such requirements.

Resolution No. 12.—(a) This Conference requests Provincial and State Governments to grant financial and other facilities to sale societies, credit societies or groups of these societies for the construction of godowns and granaries according to approved plans in suitable rural centres as well as in distributing centres of importance, on the same lines as has been done by the Government of Madras.

(b) This Conference is of opinion that Central Marketing Societies should be established at each Provincial Head-Quarters at an early date and that such societies should receive financial assistance and advice of experts from the Provincial and State Governments so as to develop the marketing of agricultural produce on a co-operative basis rapidly and place it on a sound footing.

Resolution No. 13.—(a) This Conference tenders its thanks to the Hon'ble Mr. V. Ramadas Pantulu for his successful efforts in getting the Multi-Unit Co-operative Societies' Act placed on the Statute Book.

(b) This Conference requests the Government of India to consult the Standing Committees of the All-India Co-operative Institutes' and the Indian Provincial Co-operative Banks' Associations while framing the draft rules under the Multi-Unit Co-operative Societies' Act.

Resolution No. 14.—This Conference reiterates its conviction that consolidation of land holdings, preferably on a co-operative basis, is essential for the improvement of the economic condition of the agriculturists and that early steps should be taken by the Provinces and States where conditions are favourable to introduce consolidation operations.

Resolution No. 15.—This Conference is strongly of opinion that the full development of Co-operation requires the active association of women within the co-operative fold, particularly in the sphere of home industries, thrift, better-living and rural reconstruction.

It further requests Co-operative Departments and Institutes to train and appoint women organisers to popularise various types of co-operative activities amongst women.

Resolution No. 16.—This Conference strongly believes that the success of co-operation largely depends on a high level of co-operative education of the staff of the Co-operative Departments and of co-operative organisations and on a systematic diffusion of knowledge of co-operative principles amongst the members of co-operative societies, and urges that adequate arrangements for co-operative education and training should be made in different provinces by the Provincial Institutes with the active support and assistance, financial and otherwise, of the Provincial and State Governments.

Resolution No. 17.—Resolved that in those Provinces and States where schemes for rehabilitation of the co-operative movement have been sanctioned by the Governments concerned, the work for the rehabilitation of the Apex Bank, Central Banks,

Unions and Primary Societies should be taken up without more delay, as the delay is causing further deterioration in the condition of Primary Societies and Central Banks, and Unions and the Apex Bank.

Resolution No. 18.—Resolved that non-official representatives of the Provinces and States to the Conferences of Registrars should be elected by Provincial Co-operative Institutes and Provincial Co-operative Banks and not be nominated by the Government.

Resolution No. 19.—(a) This Conference regrets the incompleteness and the inordinate delay in the publication of statistical statements relating to the co-operative movement in India which detract considerably from their utility and requests the Central Government to arrange for complete and early publication. (N. B. This function is now entrusted to the Reserve Bank of India).

(b) This Conference requests the Government to include in the above publication information relating to co-operative societies of Indian States. (N.B. Only nine States are now included).

Resolution No. 20.—Resolved that Governments of Provinces and States be requested to include the Provident Funds of the Employees of co-operative institutions in the list of those recognised under the Provident Funds Act.

Resolution No. 21.—Resolved that the Honorary Editor of the Indian Co-operative Review, for the time being shall be an ex-officio member of the Associations and the Standing Committees thereof.

Resolution No. 22.—Resolved that the Standing Committees of the Associations shall have power to co-opt co-operators of distinction, who have rendered valuable services to the Associations, as Hon'y. Members of the Associations. Their number shall not at any time exceed six. Interim vacancies among them may be filled in by the Standing Committees. The ex-officio and co-opted Hon'y. Members shall be eligible to the Standing Committees and other offices in the Associations.

Resolution No. 23.—Thanks of the Association be conveyed to the Hon'ble Mr. V. Ramadas Pantulu for his able editorship of the 'Year-Book and Directory of Indian Co-operation, 1942.'

In view of the abnormal rise in prices of paper and printing the Indian Provincial Co-operative Banks' Association be requested to contribute a minimum sum of Rs. 1,000 to enable the Institutes' Association to meet the cost of publication.

Resolution No. 24.—Resolved that the Hon'ble Mr. V. Ramadas Pantulu be requested to continue to edit the Indian Co-operative Review and the Indian Provincial Banks' Association be requested to contribute liberally as heretofore towards the cost of running the Indian Co-operative Review.

Resolution No. 25.—Resolved that, as recommended by the Central Banking Enquiry Committee, Local Governments be requested to allow free remittance transfer facilities for all bonafide co-operative purposes through Government treasuries in places where there are no branches of either the Imperial Bank or the Reserve Bank of India.

Resolution No. 26.—*This Conference is of opinion that the Indian Registration Act should be amended so as to make compulsorily registrable all decrees passed by Civil Courts and creating a charge on immovable property.*

In Section 17, sub-section (2) clause (vi) of the Indian Registration Act, 1908, the following shall be inserted at the end:

'and except a decree or order declaring or creating a charge on immovable property', or

Resolution No. 27.—*The Indian Co-operative Review be requested to collect information regarding co-operative marketing and supply, cattle insurance with cattle breeding, ghee and milk supply societies etc., their linking and co-ordination with co-operative credit.*

The following resolution proposed by Khan Bahadur Malik Noor Mohammad Khan (Punjab) was passed unanimously:

Resolution No. 28.—*Resolved that the following words be added to clause (vi) of section 17 of the Indian Registration Act after the word Court:*

'Or any award affecting immovable property of the value of Rupees one hundred or upwards given by an arbitrator appointed under the rules framed under the Co-operative Societies Act.'

Item No. 38 of the agenda was then taken up:—

Item No. 38.—Consideration of the question of the representation of Depositors on the Committees of Co-operative Banks.

Mr. Rana Sher Jang Khan, (Reserve Bank of India).—In one of our publications one of the recommendations made was that it would be in the interest of the co-operative banks to have some representatives of the depositors on the Board of Directors. It was not our intention that such representation should be given to those depositors who were not members. You can have those depositors who were members also.

Mr. D. V. Rege, I.C.S., Registrar of Co-operative Societies, (C.P.).—In this Province there are 14 banks which have come under section 42-B of the Act and we have appointed committees of management for these banks which contain among others one representative of depositors. But this is only a temporary phase.

Sir M. G. Deshpande.—In Berar, for instance, it is the depositors who have suffered most. Depositors had up-till now no voice in the management. As the depositors helped the co-operative banks with their deposits, they must have a voice in the management of the bank. I am therefore of opinion that representation should be given to those depositors who have got big deposits.

The President.—I think the depositing world should have representation. The Reserve Bank suggests that depositor members should be represented. Depositors may not be share-holders. Such depositors need not have representation.

A Voice.—This is against co-operation.

Mr. Abdul Hukh, Registrar of Co-operative Societies, Mysore.—In Mysore we have got the system of taking depositors on the Boards of Management,

Mr. D. Mahalingam, (Madras).—The depositors may not be share-holders of a bank or they may be simply share-holders and not depositors. As such depositors need not have representation.

Pt. Raj Nath Kunzru.—There are various big joint-stock banks in the country including the Imperial Bank of India. When there is no such representation of depositors on the Boards of Management in those banks, why should depositors have representation on the Boards of Co-operative Banks alone.

The President.—Joint Stock Banks do not care for depositors. Co-operative banks cannot live without depositors.

Mr. G. Lakshminarasu, (Secunderabad).—I cannot understand the idea underlying the principle of not allowing representation to those who contribute to the success and prosperity of a co-operative institution. The only technical point that has been raised is that they are not members. But they are depositors who by contributing their might have imposed greater trust in you. It is not necessary for a co-operator to be a shareholder. By preferring to deposit in a co-operative bank, they have shown their appreciation and have aligned themselves with the co-operative movement and unless you appreciate and create confidence, I am afraid it may not be possible to attract more deposits. Therefore with a view to encourage depositors to keep more and more of their funds in co-operative banks, you must encourage them by giving them representation on the board of management. Why should you be afraid of taking them on the management? There are certain members who are eligible to be elected as members of the board. Does it mean that they should have a monopoly of it? And if there are depositors who are really competent and are useful to promote the interests of the banks, why should they be excluded for the simple fact that they are not share-holders? Some how I feel that it is not proper that you should exclude depositors from being elected. If the principle is recognised, representation can be given either through nomination or through some other principle. That is a matter of detail. I know the feeling is strongly in favour of the resolution and still venture to express my difference of opinion with this resolution.

Dewan Bahadur H. L. Kaji.—I hold that depositors have a clear right to be represented on the directorate of a bank. This is a principle which should be recognised. You may not yield to the principle in particular cases, but justice demands that their claims should be recognised. In every bank about 85 per cent of the working capital is derived from depositors' pockets and for you to refuse representation to those who contribute 85 per cent of the working capital is to deny their very elementary right. Insurance companies do the same and all of us know that even under the Insurance Companies Act policy-holders, though they are not members, have a right to be elected on the directorate. On what grounds can you deny representation to depositors; simply because they are not members? If you are so exclusive, why do you want deposits? In the new order of things to come, we co-operators would be for distributive justice which demands that those who play such an important part in the banking organisation should not be deprived of their elementary right of representation.

Rai Bahadur S. K. Chatterji.—This problem can be solved by making provision in the by-laws for the co-option of some depositors.

Mr. Rana Sher Jang Khan.—The difference between joint-stock banks and co-operative banks is that in joint-stock banks no representation is given to depositors as their interests are properly safeguarded due to the constitution of its Board; while in co-operative banks shareholders are mostly borrowers and are expected to care for the borrowers only. It is possible that they will look too much to the interests of the borrowers and overlook the interests of the depositors. Experience in Germany and other countries is that they look too much to the interests of borrowers and the interests of depositors are sacrificed. You must take into account business principles where co-operative principles are not compromised. You must give them representation in the interest of co-operative institutions.

Mr. G. Lakshminarasu.—My proposal is to move an amendment to the resolution that has been moved by our esteemed friend, Mr. Mehta. My amendment reads as follows:—This Conference while recognising the justice and desirability of the representation of depositors on the board of management of co-operative banks requests co-operative banks to facilitate such representation.

A voice.—It is unconstitutional to allow this.

Mr. J. G. Bhandari.—In my personal capacity and after listening to the speech of Dewan Bahadur H. L. Kaji, I would make an appeal to the House to Consider whether we are really justified in depriving the depositors of their right to representation. Are we to oppose the idea of representation as a matter of expediency or as a question of principle? The main point that we have got to see is how far the recognition of this right will help the co-operative banks. I do not follow how this is against co-operation. Here you have got a bank which derives most of its working capital from depositors. Can you do without capital? Do you want the co-operation of depositors or not? The Imperial Bank has gone without the co-operation of depositors. There was a time when the Imperial Bank was the only reliable bank in the field. Then there came other joint-stock banks and their depositors are more favourably inclined to them than to the Imperial Bank as a result of the favourable attitude of the former towards their depositors. There is nothing wrong in enlisting the co-operation of depositors. Merely on the strength of the shareholders' money you cannot run a bank. In the first instance, as Dewan Bahadur Brahma said you are giving them very limited representation and they will not have a majority. Are we doing anything which cannot bear the scrutiny of depositors? On the other hand, if you deny representation the suspicion will be that you are doing something wrong. Both on principle and on expediency it is up to the banks to encourage the depositors' right of representation.

K. B. Malik Noor Mohammad Khan (Punjab).—So far, there is no demand from depositors that they want representation. I think the sympathy is uncalled for.

Sir M. G. Deshpande —In C. P. There are depositors' associations who want representation.

K. B. Malik Noor Mohammad Khan (Punjab).—In C.P. there are co-operators and money-lenders combined. In other provinces there are few people who are co-operators and money-lenders combined. First of all, there is no cry from depositors, and secondly, the difficulty is that the depositors come to us not out of any sympathy towards the movement but for better terms offered for the money. My submission is that the other banks like the Imperial Bank have not allowed any

representation to depositors, and there is absolutely no justification for us to give them representation. Why should we be asked to give representation to depositors and create a distinction in our directorate?

Mr. R. K. Varma (Seoni).—A co-operative institution must be managed by persons who are convinced of the utility of co-operation. Depositors have no such faith. They have got only one thing in mind, and that is their interest in the investment. I do think that by giving such representation we destroy the very idea and the very basis of the Co-operative Societies Act. Therefore a man who has got no faith in co-operation should not be taken.

Mr. N. Satyanarayana.—Co-operation is against capitalism. Depositors are capitalists and hence we do not want them.

Mr. H. S. Kamath, (Senior Deputy Registrar, C.P.)—The suggestion of the Reserve Bank, as now modified, is essentially a compromise between the two conflicting points of view. The first is, that the representation should be confined only to depositors who are share-holders. That is a view that seems to appeal to most of us here. The second is that depositors as depositors must have representation. The Reserve Bank's suggestion is that depositors as depositors be represented by certain depositors who are also share-holders. I myself would sympathise with the view that the management of a co-operative bank may be entrusted to people who are shareholders. But the suggestion of the Reserve Bank does not conflict with this at all. There is essentially a difference between a depositor who is not a shareholder and a depositor who is a shareholder. After all shareholders have to bear losses and therefore depositors who are not shareholders cannot claim any representation. I would be the first to sympathise with the view that the depositors who are shareholders may be given representation. It is essentially a method of compromise and there should not be any hesitation on the part of the House to accept this suggestion. Our Registrar has pointed out that depositors' representation has been allowed in banks under rehabilitation in Berar. Representation must be given to such people as are likely to bear a large part of the loss in the event of the bank coming across a misfortune. I would suggest that the suggestion of the Reserve Bank may be accepted.

The following resolution was then passed.

Resolution No. 29.—*In view of the fact that representation on the management of a co-operative institution should be exclusively confined to members, it is the opinion of the Conference that there is no need for providing for the separate representation on the Boards of Directors of Co-operative Banks of depositors who are not members.*

Item No. 5.—(a) That the Government should take immediate steps to improve the efficiency and resources of Co-operative Industrial Societies for augmenting war supplies during the period of War and enable them later during normal times to earn better living by placing at their disposal proper qualified technical advice and raw materials and also machinery at controlled rates.

(b) Further that Government orders for the supply of war requirements should be placed with the Industrial Societies through the Registrars concerned not by means of tenders but on a defined profit basis, as is the reputed practice in the case of various mills and commercial concerns, so that there may reign peace and

contentment during the present times of stress among the workers of Cottage Industries, and this by itself will form a very material asset to Government.

Pandit Raj Nath Kunzru.—A resolution similar to this has been passed by you, but it does not cover the ground covered by this resolution. Some industrial societies have been receiving war orders. Is there any plan behind them? Are they giving these orders, just because some of the Registrars canvassed specially on behalf of these societies, or Government had a plan to give impetus to these industries in order to put them on a sound and efficient basis so that after the war they may retain their existence and be able to bring some benefit to members?

Khan Bahadur Malik Noor Mohammad Khan.—If it is intended to criticise the policy of the Government the floor of the Assembly is open to the speaker. For the sake of brevity may I say that the subject is too long and will not be concluded even after two days' debate.

Pt. Raj Nath Kunzru.—If it is not proper for me to criticise the policy of Government on the floor of this House I am entirely in your hands. I think I am quite justified in criticising the policy of Government if it does not support co-operation. Orders for articles at controlled prices, I know, are placed with big contractors and I am not aware at any rate in my province (U.P.) of any society or a co-operative organisation being granted that facility. It is said that materials at controlled rates are available. I know that Government have entered into contracts with firms for supply of certain materials on a profit basis and they get all the materials manufactured by them. They are a controlled agency. Government officials look after their production.

Mr. A. Ahmad, I.C.S., Registrar of Co-operative Societies; Begal.—May I inform the House that the Government of India have formulated a scheme and will pass on orders for the supply of materials to agencies under the Directors of Industries and to Co-operative Societies under Registrars? The idea is that the Government of India will provide working capital, even if the local Government is not prepared to do so. The Government of India will engage the necessary staff for supervision and send Inspectors from time to time. Anyhow the point of interest is that the Government of India have at last realised that this work can and should be done through co-operative societies and the scheme is already complete and will come into force early in May.

The following Resolution was then passed:—

Resolution No. 30.—(a) *Resolved that the Government should be requested to take immediate steps to improve the efficiency and resources of Co-operative Industrial Societies for augmenting war supplies during the period of war and enable them later during normal times to earn better living by placing at their disposal proper qualified technical advice and raw materials and also machinery at controlled rates.*

(b) *Further that Government orders for the supply of war requirements should be placed with the Industrial Societies through the Registrars concerned not by means of tenders but on a defined profit (adequate margin between cost and sale price) basis, as is the reputed practice in the case of various mills and commercial concerns so that there may reign peace and contentment during the present times of stress among the workers of Cottage Industries and this by itself will form a very material asset to Government.*

Mr. K. C. Karumbayya, (Coorg) moved the following resolution.

Resolution No. 31.—*Resolved that the members of Co-operative Societies be completely exempt from the levy of stamp duty and registration fees on all documents executed in favour of the societies.*

The resolution was passed.

Item No. 43.—To consider the statement published in the issue of the *Indian Finance* dated the 7th March, 1942, that the Imperial Bank of India has definitely excluded the Rangoon Port Trust and Corporation Debentures from eligible securities for advances from that Bank and to consider the implications of this policy on the trustee debentures issued by the Ports and Corporations of Calcutta, Rangoon, Madras, Karachi and Bombay.

Sir M. G. Deshpande.—We have to consider what will be the effect on our securities, if the Imperial Bank refuses to advance on the Rangoon Port and Improvement Trust or Municipal Debentures.

President.—Sir M. G. Deshpande wants to know the opinion of experts, and perhaps so far as the resolution is concerned, it appears that he wants to know why if the Imperial Bank has done something definitely to exclude the Rangoon Port Trust Debentures from eligible securities, it should not be compelled to revise its decision. So far as Government is concerned there is a list of eligible securities under the Indian Trust Act. If the Imperial Bank of India refuses to deal in particular securities it is at liberty to do so. The only thing is to take the Reserve Bank on your side and then try to threaten the Imperial Bank to exclude it from the favours of the Reserve Bank. It is not necessary to pass any resolution. We may move the Government of India explaining them our difficulties and request them to take necessary action.

The motion was dropped.

THE ALL-INDIA CO-OPERATIVE INSTITUTES' ASSOCIATION

Resolution No. 32.

The following office-bearers were elected:—

President.—The Hon'ble Mr. V. Ramadas Pantulu.

Vice-Presidents.—(1) Dewan Bahadur K. V. Brahma, C.I.E., M.B.E.;
(2) Dewan Bahadur H. L. Kaji, M.A., I.E.S., J.P.

Hony. Secretary and Treasurer.—Khan Mohammad Bashir Ahmad Khan, M.A., LL.B.; M.R.A.S., (London).

Joint Secretary.—Mr. N. Satyanarayana, Hony. Jt. Secretary. The Madras Provincial Co-operative Union.

Resolution No.—33.

Accounts of the "Indian Co-operative Review," the All-India Co-operative Institutes' Association, Madras Office and the All-India Co-operative Institutes' Association, Lahore office as printed in the appendix were passed,

THE INDIAN PROVINCIAL CO-OPERATIVE BANKS' ASSOCIATION

Resolution No.—34.

The following office-bearers were elected:—

President.—The Hon'ble Mr. V. Ramadas Pantulu.

Vice-President.—Sir M. G. Deshpande, K.B.E., Chairman, The C.P. and Berar Provincial Co-operative Bank, Nagpur.

Secretary.—Mr. L. Mulraj Bhai, Manager, the Punjab Provincial Co-operative Bank, Ltd., Lahore.

Joint Secretary.—Khan Saheb W. Zaman, Hony. Secretary, the Bengal Co-operative Alliance.

Resolution No.—35.

The Report of the Association as printed in Appendix was passed.

Resolution No.—36.

Accounts of the Association for the year 1941 as printed in appendix were passed.

Resolution No.—37.

Resolved to amend the Constitution of the Association in accordance with Resolutions No. 21 and 22, passed at this Conference.

Resolution No.—38.

Resolved that Rs. 1,000 may be contributed towards the cost of the publication of the "Year-Book and Directory of Indian Co-operation, 1942."

Resolution No.—39.

Rs. 1,000 were sanctioned for running the Indian Co-operative Review for 1942.

VOTE OF THANKS

Khan Mohammad Bashir Ahmad Khan proposing a vote of thanks said: Now that the Conference has practically concluded, I consider it my pleasant duty to offer, on my own behalf and on behalf of the Conference, our heartfelt thanks to Sir Madhao Rao Deshpande the Chairman of the Reception Committee and his colleagues, the Manager and the staff of the Provincial Bank for taking all the trouble in arranging this Conference and looking towards the convenience of the delegates at the sacrifice of their own valuable time. We were warned that the weather at Nagpur would be hot and suffocating and that mosquitoes would greet us in great number and therefore we should bring mosquito curtains. The warning however, did not prove to be true. A timely shower changed the atmosphere and we had a very pleasant season during the Conference.

We are very glad to have amidst us a good many Registrars and other officers of the Co-operative Departments of various provinces and States. The Registrar of C.P. and Berar and his staff deserve our special thanks for ready co-operation in making the Conference a success. We may assure all the Registrars that their advice based on expert knowledge has been of great value in arriving at sound conclusions of the difficult problems before the House.

I must, in particular, thank the Reserve Bank of India for sending its representative to attend the Conference. We are obliged to Mr. Rana Sher Jang Khan who placed the views of the Reserve Bank before us in a pleasant and able manner. We are

sure if the Reserve Bank of India continues to extend us the same co-operation as it has done this time, and in the spirit which its representative has shown all misunderstanding between the co-operators and the Bank will disappear.

The Conference has done very useful work during its short session of two days under the able guidance of Dewan Bahadur K. V. Brahma. Last but not the least, I owe a deep debt of gratitude to the delegates for extending their help in making the Conference a great success.

APPENDIX

REPORT ON THE WORKING OF THE INDIAN PROVINCIAL CO-OPERATIVE BANKS' ASSOCIATION.

I have great pleasure in submitting this fourth report on the working of the Association from July, 1937 to March, 1942.

The number of member banks of the Association at present is 11. At the time of the conference at Bangalore in July, 1937, the number of members of the Association was the same but with this difference that in 1937 the Mysore Provincial Co-operative Bank was a member of the Association, but it subsequently resigned while the Co-operative Bank of Trivandrum applied for affiliation and was admitted as a member. The Bombay Central Land Mortgage Bank is the only Apex Bank in British India which has not yet become a member of the Association.

As provided in Rule 4 of the rules of the Provincial Co-operative Banks' Association, all the Apex Banks in British India and Indian States are eligible for membership. All member banks with a paid up share capital of Rs. 5 lacs and above have paid subscription at the rate of Rs. 150 per annum while those with a paid up share capital of above Rs. 2 lacs but less than Rs. 5 lacs paid at the rate of Rs. 100 per annum. Member banks with a paid up share capital of Rs. 2 lacs and below paid at the rate of Rs. 50 per annum. Out of the total membership of 11, 8 banks paid subscription at the rate of Rs. 150 per annum, while 1 member bank paid at the rate of Rs. 100 per annum and 2 member banks at the rate of Rs. 50 per annum.

Under rule No. 9 of the Association a meeting of the General Body was due in 1939 i.e. two years after the meeting of the General Body at Bangalore in 1937. Due to various reasons, however, well-known to the members of the Standing Committee, the meeting of the General Body could not be held but during this period 4 meetings of the Standing Committee were held as follows. All the four meetings of the Association were held jointly with the meetings of the All-India Co-operative Institutes' Association as has been decided by the Joint Conference of both the Associations.

The first meeting of the Association after the Conference in Bangalore was held jointly with the meeting of the Standing Committee of the All-India Co-operative Institutes' Association at Vizianagram on the 16th and 17th April, 1938. Of several resolutions passed at this meeting of the Standing Committee the most important resolutions related to the financial aspect of the co-operative movement. In one of the resolutions the meeting recommended that encouragement should be given for the formation of multi-purpose societies. It has subsequently been found by experience in many provinces that it would have been better for the ultimate good of the movement if attention had been devoted to the organisation of multi-purpose societies from the beginning rather than to the organisation of mere credit societies. It also recommended that where there is no provision for attachment before judgment in respect of sums due to co-operative societies suitable

amendments should be introduced in the Provincial Co-operative Societies' Acts to provide for the deficiency. The importance of this suggestion has been recognised by most of the provinces. The meeting also recommended that measures should be adopted in different provinces on the lines communicated in Bulletin No. 3 of the Reserve Bank of India with such modifications as local conditions may require with a view to satisfactorily settle the question of the large extent of lands some of the Central Banks were compelled to buy in satisfaction of their dues in execution of awards against defaulting members. The extent of lands held by some of the Central Banks in India was so vast and absorbed such a large portion of the total assets of these banks at that time that Bulletin No. 3 of the Reserve Bank of India, in which the Burma scheme was explained was not only considered to be important but timely.

At the meeting the recommendations contained in the Statutory Report of the Reserve Bank were also considered in detail and while some were disapproved on grounds of experience in different provinces, others were supported. It was, however, clearly mentioned in the resolution that the insistence of the Reserve Bank in paragraph 37 of its Statutory Report that Provincial Banks should maintain minimum balances with the Reserve Bank of India contravened the policy underlying the specific exemption given to Provincial Banks under the Reserve Bank of India Act. It was also pointed out that the intention of the Reserve Bank of India Act in creating the Agricultural Credit Department had not been kept in view by the Reserve Bank authorities and urged upon that Bank to so work Section 54, Clause (b) of the Act as to help Provincial Banks with short term financial accommodation, so long as the security offered was sound. It also suggested that the Reserve Bank should invest or lend on the security of debentures issued by Provincial Banks and Land Mortgage Banks where the principal and interest were guaranteed by the Central and Provincial Governments. In a detailed criticism of the Statutory Report of the Reserve Bank, the meeting did not favour the organisation of Apex Land Mortgage Banks on joint-stock basis as recommended. It also did not agree with the view that depositors should have a representation on the Board and it also did not agree with the view that the margin between the lending rate of co-operative banks and societies was low. Several important resolutions were passed at this meeting notable amongst them was the recommendation that in view of the intimate connection between agriculture, rural industry and co-operation the Departments concerned be put under one popular Minister and their activities co-ordinated for common planning and joint action. The meeting also expressed grave doubts about the wisdom of the provisions made in Provincial Co-operative Societies' Acts at that time which interfered with the normal internal administration of societies. Most of the Acts passed at this time provided for supersession of the Committees of Management, removal of officers and members, modification of bye-laws without the concurrence of General Bodies, surcharge of members and past members and limiting the period of the tenure of any office-bearer.

The second meeting of the Standing Committee was held at Jubbulpur on the 8th and 9th April, 1939, when the proposals pending before the Provincial Governments of Bihar and Bengal for the rehabilitation of the co-operative movement in those provinces and the announcement made on behalf of these Provincial Governments of their intention to stand by the movement and give it the necessary financial assistance and other help came in for consideration. The meeting expressed its sense of satisfaction at the action taken and requested the respective Governments of both these provinces to give effect to their rehabilitation schemes without any further delay. It also recommended that all Provinces and States should also take necessary

steps without delay to rehabilitate the co-operative movement in their provinces and States. The meeting also pointed out that the way in which rural development schemes were being worked in different provinces or States, it was compelled to express the view that the co-ordination necessary for their success was wanting. It therefore appealed to the Provincial Governments to take all possible steps to co-ordinate the activities of the various nation-building departments. The meeting also expressed the view that the position of the co-operative institutions under the Income-tax Act was extremely unsatisfactory and placed the co-operative banks in a worse position than joint-stock banks. A memorandum on the subject was prepared and submitted to the Finance Department of the Government of India by the President of the Association and copies were circulated amongst the Registrars of different provinces. The meeting also pointed out that while Provincial Legislation for the relief of indebtedness and for conciliation of debts had been beneficial to a certain degree, it had also resulted in drastically curtailing credit to agriculturists. The meeting therefore urged upon the Provincial Governments the necessity for immediate expansion of the Co-operative Movement for the provision of rural credit. In the matter of rehabilitation of the co-operative societies the meeting made one important suggestion in that future credit for agriculture should not be suspended only on the ground of general accumulation of overdues in societies but suitable schemes should be adopted by Provincial Governments and Indian States to disentangle past debts from future finance and providing necessary machinery for the discharge of suitably scaled down prior debts and for seasonal credit in future. One of the most important proposals, however, which was discussed at this meeting was that where unlimited liability in primary agricultural societies proved a handicap to the development of the movement it should be replaced as far as possible by limited liability in future organisation and reconstruction of existing societies. Had this resolution been adopted by the meeting and circulated amongst the different provinces, it would no doubt have helped in shaping the future of the movement in many of the important provinces where rehabilitation of the movement was being undertaken. No lead in this matter could, however, be given by the meeting as there was slight difference of view perhaps due to misunderstanding amongst the members of the Standing Committee.

The third meeting of the Standing Committee was held with the meeting of the Standing Committee of the All-India Co-operative Institutes' Association at Madras on the 27th and 28th October, 1939. At this meeting the Managers of Provincial Co-operative Banks were also invited by special invitation for a meeting and the Managers of 8 banks met and came to certain tentative conclusions which were subsequently placed for consideration at the joint session of the Standing Committees of the two Associations. One of the suggestions made by this meeting of the managers was that it was necessary that such officers of Apex banks should meet periodically with a view to discuss matters of common policy. When the proceedings of the Managers' meeting were placed before the joint session of the Standing Committees, it was resolved that the purpose of the meeting of the Managers could be served equally well if managers were permitted to attend the session of the Standing Committees of the two Associations. The representatives of the Association who met at this meeting under-took to depute their managers to the meeting of the Standing Committees in future as far as practicable. At this meeting the general outline of the scheme of rehabilitation of the co-operative movement in Bengal submitted by the Registrar of Co-operative Societies was discussed and the meeting recommended that Government should take necessary action as early as possible. The meeting also placed on record its view that although it was in favour

of the expansion of the Co-operative Movement such expansion should proceed on cautious lines and without undue haste. This addition to the resolution was thought to be necessary in view of the fact that it was reported that a large number of new societies was organised in Bengal within a short period.

The meeting also earnestly requested the Government of Bihar to examine the report of the Board of Experts on the rehabilitation of the co-operative movement in Bihar which was then submitted to Government. The President of the Association, the Hon'ble Mr. Ramadas Pantulu, and the Managing Director of the Bombay Provincial Co-operative Bank, Ltd., Mr. V. L. Mehta were both members of the Board of Experts appointed by the Bihar Government to examine their rehabilitation proposals and the Hon'ble Mr. V. Ramadas Pantulu, was previously consulted about the proposals in detail. This meeting was attended by the Registrar of Co-operative Societies, C.P. and Berar as well as many important representatives of the Central Provinces and Berar, both of the Federation as well as the Provincial Bank. The President examined in detail the several suggestions made by the Co-operative Enquiry Committee appointed by the Government of Central Provinces and Berar as well as resolutions passed at the meeting of Central Banks in Berar and of the depositors of these banks and prepared a tentative scheme after consultation with the representatives of that province, which was adopted by the Standing Committees. The scheme was based on the following two important considerations, the first of which was the improvement of the condition of the members of village societies and relieving them from the burden of accumulated debt and to ensure steady flow of productive credit on better system.

The fourth meeting of the Standing Committees of the Indian Provincial Banks' Association and the All-India Co-operative Institutes' Association was held on the 18th and 19th January, 1941, at Bombay where it was affirmed that the continuance of free transfer of funds for approved co-operative purposes was extremely valuable for the further development of the Co-operative Movement in its various aspects and requested the Provincial Governments to reimburse the Reserve Bank of India for any loss it may have to suffer by the continuance of this concession. It also urged on the Reserve Bank to place Provincial Banks on the same footing as Scheduled Banks in the matter of remittance transfer facilities and made certain detailed recommendations in this respect, some of which were subsequently accepted by the Reserve Bank of India. It also reiterated that the interpretation placed on Section 17 of the Act by the Reserve Bank authorities practically made it impossible for co-operative banks to derive any financial assistance from it. It therefore recommended that the Reserve Bank do advise the Government of India about the need to suitably amend the provisions of this section of the Act to meet the situation created by the slump in price of commodities. It also requested the Reserve Bank to provide the Provincial Banks with short-term credit for developing sale and supply societies, on which a circular has recently been issued by the Reserve Bank inviting suggestions. The meeting also urged on the Governments of Bihar, C.P. and Berar, and Bengal to take immediate action on the rehabilitation schemes of their respective provinces pending before them. The rehabilitation scheme in Bihar was soon after adopted by the Provincial Government and a notification was issued. That scheme is based on a comprehensive enquiry into the repaying capacity of members of primary societies and is expected to extend to the period of 5 years and provides for an expenditure of over Rs. 49 lacs. The meeting accepted the essential principles of the Bihar scheme of rehabilitation and urged on the other Provincial and State Governments that in formulating and implanting their decisions for the

reconstruction of the movement important considerations regarding the scaling down of prior debts of members to bring them within their repaying capacity, reduce the rate of interest to be charged on the old debts as well as fresh loans so as not to exceed 7½%, spreading of instalments over an adequately long period and providing facilities for raising capital at a low rate should always be kept in view. The meeting also urged on the Government of United Provinces the necessity of starting a Provincial Co-operative Bank at an early date. The meeting in recording its grateful thanks to the Central Government for the relief given to co-operative societies in respect of super-tax and income-tax requested the Government to exempt co-operative societies from the operation of excess profits tax. This has been done subsequently by the Central Government. One of the important resolutions passed at this meeting which is calculated to have far reaching effects in the future of the movement in India was the suggestion made by the meeting for the revival or resuscitation of existing societies and expansion of the movement in future on the following lines.

(a) The scope of co-operative societies should be widened so that they may effectively assist the agriculturists in production, movement and marketing of crops as well as other allied activities.

(b) To bring every village as soon as possible within the sphere of operation of a primary society.

(c) To enlist as rapidly as possible all residents of a village as members of their society.

In order to ensure the successful accomplishment of the above object the meeting suggested the following three measures.

(a) The amalgamation of such existing societies as were unable to work individually.

(b) The formation of new societies comprising groups of compact adjoining villages.

(c) The adoption of such form of liability, whether limited or unlimited as local co-operative opinion and conditions may offer.

The annual income of the Association in 1937 was Rs. 1,519-2-0 out of which Rs. 1,350 was received as subscription from members. In 1938 the income of the Association was Rs. 1,622-7-0 out of which Rs. 1,450 was received by subscription from members. In 1939 the annual income of the Association was Rs. 1,574-7-0 out of which Rs. 1,400 was received by subscription from members. In 1940 the total income of the Association was Rs. 1,492-11-6 out of which Rs. 1,400 was received by subscription from members. Since after the meeting of the General Body held at Bangalore in 1937 to date the total contribution made by the Indian Provincial Co-operative Banks' Association to the All-India Co-operative Institutes' Association for the *Indian Co-operative Review* amounted to Rs. 5,000. The opening balance on 1st January, 1937 in the Bank account of the Indian Provincial Co-operative Banks' Association was Rs. 6,973-13-9 and the closing balance in the Bank account of the Association as on 31-12-41 was Rs. 5,081-15-0. No cash is kept on hand excepting postage stamps the value of which on the date of closing on hand was Rs. 2-4-9.

Before I close my report I may be permitted to acknowledge my deep debt of gratitude to our President, the Hon'ble Mr. V. Ramadas Pantulu for the assistance he has ungrudgingly given to me whenever required as well as the other members of the Standing Committee, who have always been very considerate and given whatever assistance was required of them.

V. M. THAKORE,
Secretary, The Indian Provincial Co-operative Banks' Association,

THE INDIAN CO-OP

STATEMENT OF RECEIPTS & PAYMENTS

Receipts.

	Details.			Total
	Rs.	A.	P.	Rs. A
To Opening balances:—				
Cash on hand		5	6 9	
„ with M.P.C. Bank in current account	78	0	6	78
To Subscriptions:—				
Received in 1937 (16-7-1937 to 31-12-37)	1,425	10	0	
„ 1938	2,340	4	0	
„ 1939	2,815	9	0	
„ 1940	2,119	12	0	
„ 1941	2,867	0	0	11,568
To Advertisements:—				
Received in 1937 (16-7-37 to 31-12-37)	100	0	0	
„ 1938	380	0	0	
„ 1939	280	0	0	
„ 1940	330	0	0	
„ 1941	290	0	0	1,270
To Donation from the Indian Provincial Co-operative Banks Association for 1942				1,000
To The All-India Co-operative Institute's Association:—				
Amount received	..	1,650	4 0	
Less subscriptions received by the Lahore office and retained there	..	84	0 0	
Amount advanced for Madras office expenses	..	248	1 0	
		<u>832</u>	<u>1 0</u>	<u>1,818</u>
Total				15,234 1

V. RAMADAS PANTULU
Editor

ERATIVE REVIEW, MADRAS.

OR TH PERIOD FROM 16TH JULY 1937 TO 31ST DECEMBER 1941.

Payments.

	Details.			Total.		
	Rs.	A.	P.	Rs.	A.	P.
By Printing charges for the Review Vol. III No. 2 to Vol. VII No. 4 and letter heads etc.	..			10,206	14	0
„ Postage and Telegrams	..			2,131	8	6
„ Rent for office	..			815	0	0
„ Establishment charges	..			893	11	0
„ Stationery and books	..			190	6	9
„ Subscriptions to periodicals and dailies	..			128	12	0
„ Remuneration to contributors (paid to Miss M. Digby, Secretary, H. P. Foundation London)	..			112	2	0
„ Telephone charges	..			64	0	0
„ Miscellaneous expenses	..			99	3	3
„ Advances to be recovered from G. S. Press for postage expenses	..	100	0 0			
do. Editor for alterations to the office premises	..	150	0 0			
do. Mr. Prasada Rao	..	10	0 0	260	0	0
<hr/>						
By Closing Balances:--						
Cash on hand	..	94	3 0			
„ with M.P.C. Bank in current account	..	289	0 9	383	3	9
<hr/>						

Total .. 15,234 13 3

Examined and found correct
 BRAHMAYYA & CO.,
 Incorporated Accountants,
 Registered Accountants.
 Hony. Auditors.
 31-3-1942.

THE ALL INDIA CO-OPERATIVE INSTI

STATEMENT OF RECEIPTS & PAYMENTS FOR THE

Receipts.	Details.		Total.
	Rs.	A. P.	Rs. A. P.
To Opening balances:—			
Cash on hand		3 1 3	
„ in current account with M.P.C. Bank ..		5 12 6	8 13 9
		<hr/>	
To All-India Co-operative Institutes' Association (Lahore office):—			
Received from the Madras Provincial Co-operative Union being the annual contribution for five years (1937-38 to 1941-42) ..		476 11 6	
Received from the Indian Provincial Co-operative Banks' Association being grant for the Indian Co-operative Review for the years 1937, 1938, 1940 and 1941 ..		4,000 0 0	
		<hr/>	
		4,476 11 6	
Less subscriptions to the Indian Co-operative Review collected by Lahore office and retained there ..		84 0 0	4,392 11 6
		<hr/>	
By Interest from bank ..			6 15 0

Total .. 4,408 8 3

V. RAMADAS PANTULU
President

TUTES' ASSOCIATION, MADRAS OFFICE.

PERIOD FROM 16TH JULY 1937 TO 31ST DECEMBER 1941.

Payments.

	Details. Rs. A. P.	Total. Rs. A. P.
By Printing charges:—		
Cost of printing proceedings of the Bangalore Conference and subsequent meetings of the standing committee and letter heads etc. ..		692 1 9
By Stationery ..		15 6 6
By Postage and Telegrams ..		125 9 0
By Travelling expenses:—		
Paid to Mr. S. Krishnamurthi for accompanying the President to Bangalore in July 1937 for the All-India Co-operative Conference ..	15 8 0	
Paid to Mr. T. Seshagiri Rao for accompanying the President to Vizianagaram in April 1938 for the standing committee meeting ..	13 4 0	
Paid to Mr. S. Swaminathan for accompanying the President to Delhi in December 1939 for the 13th Registrars' Conference ..	116 1 0	
Paid to Mr. S. Swaminathan for accompanying the President to Calcutta in April 1940 for the Bengal Provincial Co-operative Conference ..	126 2 6	
Paid to Mr. S. Swaminathan for accompanying the President to Bombay in January 1941 for the standing committee meeting ..	77 12 0	348 11 6
By Cost of one screen purchased for the office ..		30 0 0
By Miscellaneous expenses ..		81 13 0
By The Indian Co-operative Review:—		
Amount actually advanced ..	1,650 4 0	
Less subscriptions collected by the Lahore office and retained there .. 84 0 0		
Received from the Review account for Madras office expenses .. 248 1 0	332 1 0	1,918 3 0
By Advances to be recovered:—		
Advance to the Year Book Account ..	1,000 0 0	
Mr. Syed Shah Ali Hussain on account of Indian Co-operative Series No. IX ..	137 0 3	1,137 0 3
By Closing balances:—		
Cash on hand ..	6 8 3	
in current account with M.P.C. Bank ..	653 3 0	659 11 3
Total	•	4,408 8 3

Examined and found correct.

BRAHMAYYA & CO.,

Incorporated Accountants,

Registered Accountants,

Hony. Auditors.

31-3-1942.

Receipt and Payment Account for the period from *1-7-40 to 31-12-41.

Payment.

To Members Subscription:—

To Subscription of I. C. Review

To Donation of Year Book:—

Total

M. BASHTIR AHMAD KHAN

**M.A., LL.B., M.R.A.S., (London),
Honorary Secretary.**

THE INDIAN PROVINCIAL CO-OPERATIVE BANKS' ASSOCIATION, PATNA.
Statement of accounts for the year, 1941.

Expenditure.		Receipt.	
1. Travelling charges	Rs. A. P.	Rs. A. P.	Subscription for 1941.
T. A. to Secy. for Bombay	185 0 0		Bombay Provincial Bank
T. A. to his Steno for Bombay	111 4 0	296 4 0	B. & O. Provincial Bank
2. Salaries account.			Punjab P. provincial Bank
Allowance to Secy's. Steno for 1941 ..	150 0 0		C. P. Prov. Bank
Remuneration to Daffary from Jan'y			Madras Provincial Bank
to Decm., 41, at 1 per month ..	12 0 0	162 0 0	Sind Provincial Bank
3. Postage and Telegrams			Trivandrum Provincial Bank
Stamps from 6-1-41 to 21-11-41 ..	39 7 9		Indore Provincial Bank
Paid to Secy., for Telg. to			Hyderabad Provincial Bank
Mr. Khan Mahd. Basbir Ahmed			Bengal Provincial Bank
Khan on 6-1-41	0 14 0		Land Mortgage Bank
4. Printing and Stationery	2 11 6	43 1 3	
Stamps from 22-11-41 to 31-12-41 ..			Interest on account with Bank up
Stationery (paid to Bihar Book			to 31-12-41
Agency)	151 3 0	151 3 0	Postage in hand on 1-1-41
5. Contr. to Indian Co-op. Review			Opening Balance at Bank as on
for 1940 and 1941	2,000 0 0		1-1-41
Do. for 1942 in advance	1,000 0 0		
6. Miscellaneous account			
Comm. on cheques recd. as sub-			
scription for 1941	1 9 0		
Comm. on drafts in item No. 5 ..	1 14 0	5 7 0	
Excess Profits Act	2 0 0	5,081 15 0	
Closing balance as on 31-12-41		2 4 9	
Postage in hand on			
Total Rs.	8,742 3 0	Total Rs.	8,742 3 0

Checked and found correct.

R. NARAIN,

Resolutions passed at the 5th All-India Co-operative Conference held at Nagpur on the 4th and the 5th April, 1942.

1. Resolved that as the price of cloth has gone up considerably, causing much distress among the poorer and middle classes, owing to the fact that the Weaving Mills in the country are not now in a position to supply all the requirements of the people, as these are busy in producing clothes for war purposes for which big orders have been received by them from the Government, Governments of Provinces and States should earnestly endeavour to increase the production of cloth in the country and encourage the formation of societies of hand-spinners and weavers on co-operative basis all over the country by giving adequate financial and other help necessary for their successful working.

2. In view of the fact that the co-operative movement needs urgent expansion and a number of district and central banks find it difficult to organise and finance new societies due to lack of adequate funds, resolved that Provincial and State Governments be requested to permit various public bodies like the Municipal and District Boards and Universities etc., to deposit their funds with those financially strong co-operative institutions which may be recommended for this purpose by the Registrars of Co-operative Societies concerned, as is the case in some Provinces and States.

3. With a view to encourage members of co-operative societies to purchase cattle and sheep of improved breed from good breeding centres and with a view to transport cows, buffaloes and sheep of improved varieties which are disposed off at very low prices after their utility is lowered at big cities like Calcutta, resolved that Government be requested to introduce special concessional railway rates for transport of cattle and sheep to co-operative societies.

4. (a) Resolved that Government be requested to allow total remission reduction in irrigation charges in case the crops of cultivators are totally destroyed or suffer considerable damage by inadequate supply or lack of supply of canal water at the proper time, where such a rule or practice does not now exist.

(b) Resolved further that there ought to be at least one non-official representative of the co-operative societies in the Divisional or District Canal Committees constituted by the Government, to safeguard the interests of the members of co-operative societies.

5. As execution of awards through civil courts takes a long time, Governments of Provinces and States may be requested to give powers of execution of awards of co-operative societies to the Registrars of Co-operative Societies of those provinces and States as in Madras.

(6) i. The Joint Session of the Indian Provincial Co-operative Banks' Association and the All-India Co-operative Institutes' Association welcomes the scheme formulated by the Agricultural Credit Department of the Reserve Bank of India relating to rediscounts for and advances to Provincial Co-operative Banks and recommends Provincial Co-operative Banks, wherever possible, to avail themselves of the facilities outlined in the scheme. The Conference while appreciating the arrangement for the grant of rebate in interest on accommodation obtained for the purpose of marketing of crops requests the Reserve Bank of India to extend the arrangement to accommodation granted also for the financing of seasonal agricultural operations. In the opinion of the Conference, the grant of this concession

necessary as it is from the point of view of lowering the cost of credit for the agricultural borrower, will also be helpful in inducing co-operative financing agencies to take advantage of the new arrangements and thus to establish closer contact with the Reserve Bank of India.

ii. This Conference notes that in view of the interpretation placed by the legal advisers of the Reserve Bank of India on the wording Section 17 (4) (d) of the Reserve Bank of India Act, it is not permissible for the Reserve Bank of India to make advances under this provision of law which was intended for developing marketing credit in India, the Conference urges upon the authorities of the Reserve Bank of India the need for getting suitable amendments made to the wording of Section 17 (4) (d) so as to enable the Bank to grant accommodation for the financing of seasonal agricultural operations or the marketing of crops on a secured basis against promissory notes supported by the security of goods on which the Reserve Bank can realise its dues if necessary.

iii. This Conference further recommends to the Reserve Bank of India that on the analogy of the relations subsisting between the National Banks, State Banks and Semi-State Banks in foreign countries with the agricultural credit institutions of those lands, special credit systems should be evolved for the financing of agricultural societies on lines suited to the requirements of the country, keeping particularly in mind the need of lowering the rate of interest for the agricultural borrowers.

7. This Conference accepts, in principle, the suggestion of the Reserve Bank that bad and doubtful debts should be assessed and shown on the balance sheet by the Provincial Banks, Central Land Mortgage Banks and the Central Banks and recommends to the banks concerned that even if accurate and precise calculations are not practicable, estimation of such debts as best as possible should be made with adequate provision for them.

8. Resolved that no audit fee be charged from a co-operative society for a year in which its accounts are not audited.

9. The Co-operators of India assembled in Conference here do solemnly believe that the present titanic struggle in which the world is involved is mainly due to a maladjustment of distribution and express their fervent hope that the new world order will be based upon dominant co-operative ideal of distributive justice.

10. As the war has created severe economic distress which has been further aggravated by the dislocation of transport, this Conference urges upon co-operative organisations in India to take immediate steps:

- (1) to promote an increase in the acreage of food and fodder crops.
- (2) to arrange for the adequate stock and supply of food-stuffs and other necessities of life, and
- (3) to stimulate the production of finished goods on cottage industry basis in rural areas.

11. This Conference strongly urges on the Government, while distributing orders for the supply of war and other requirements, to give preference to the products of Industrial, Marketing and other Co-operative Societies and for the purpose to utilise the agency of the co-operative departments to stimulate the production and supply of such requirements.

12. (a) This Conference requests Provincial and State Governments to grant financial and other facilities to sale societies, credit societies or groups of these societies for the construction of godowns and granaries according to approved plans in suitable rural centres as well as in distributing centres of importance, on the same lines as has been done by the Government of Madras.

(b) This Conference is of opinion that Central Marketing Societies should be established at each Provincial Head-Quarters at an early date and that such societies should receive financial assistance and advice of experts from the Provincial and State Governments so as to develop the marketing of agricultural produce on a co-operative basis rapidly and place it on a sound footing.

13. (a) This Conference tenders its thanks to the Hon'ble Mr. V. Ramadas Pantulu for his successful efforts in getting the Multi-Unit Co-operative Societies' Act placed on the Statue Book.

(b) This Conference requests the Government of India to consult the Standing Committees of the All-India Co-operative Institutes' and the Indian Provincial Co-operative Banks' Associations while framing the draft rules under the Multi-Unit Co-operative Societies' Act.

14. This Conference reiterates its conviction that consolidation of land holdings, preferably on a co-operative basis, is essential for the improvement of the economic condition of the agriculturists and that early steps should be taken by the Provinces and States where conditions are favourable to introduce consolidation operations.

15. This Conference is strongly of opinion that the full development of co-operation requires the active association of women within the co-operative movement, particularly in the sphere of home industries, thrift, better-living and rural reconstruction.

It further requests Co-operative Departments and Institutes to train and appoint women organisers to popularise various types of co-operative activities amongst women.

16. This Conference strongly believes that the success of co-operation largely depends on a high level of co-operative education of the staff of the Co-operative Departments and of co-operative organisations and on a systematic diffusion of knowledge of co-operative principles amongst the members of co-operative societies and urges that adequate arrangements for co-operative education and training should be made in different provinces by the provincial Institutes with the active support and assistance, financial and otherwise, of the Provincial and State Governments.

17. Resolved that in those Provinces and States where schemes for rehabilitation of the co-operative movement have been sanctioned by the Governments concerned, the work for the rehabilitation of the Apex Bank, Central Banks, Unions and Primary Societies should be taken up without more delay, as the delay is causing further deterioration in the condition of Primary Societies and Central Banks, and Unions and the Apex Bank.

18. Resolved that non-official representatives of the Provinces and States to the Conferences of Registrars should be elected by Provincial Co-operative Institutes and Provincial Co-operative Banks and not be nominated by the Government.

19. (a) This Conference regrets the incompleteness and the inordinate delay in the publication of statistical statements relating to the co-operative movement in India which detract considerably from their utility and requests the Central Government to arrange for complete and early publication. (N. B. This function is now entrusted to the Reserve Bank of India).

(b) This Conference requests the Government to include in the above publication information relating to co-operative societies of Indian States. (N. B. Only nine States are now included).

20. Resolved that Governments of Provinces and States be requested to include the Provident Funds of the Employees of co-operative institutions in the list of those recognized under the Provident Funds Act.

21. Resolved that the Hony. Editor of the Indian Co-operative Review, for the time being, shall be an ex-officio member of the Associations and the Standing Committees thereof.

22. Resolved that the Standing Committees of the Associations shall have power to co-opt. co-operations of distinction who have rendered valuable services to the Associations, as Hony. Members of the Associations. Their number shall not at any time exceed six. Interim vacancies among them may be filled in by the Standing Committees. The ex-officio and co-opted Hony. Members shall be eligible to the Standing Committees and other offices in the Associations.

23. Thanks of the Association be conveyed to the Hon'ble Mr. V. Ramadas Pantulu for his able editorship of the 'Year-Book and Directory of Indian Co-operation, 1942.'

In view of the abnormal rise in prices of paper and printing the Indian Provincial Co-operative Banks' Association be requested to contribute a minimum sum of Rs. 1,000 to enable the Institutes' Association to meet the cost of publication.

24. Resolved that the Hon'ble Mr. V. Ramadas Pantulu be requested to continue to edit the Indian Co-operative Review and the Indian Provincial Banks' Association be requested to contribute liberally as heretofore towards the cost of running the Indian Co-operative Review.

25. Resolved that, as recommended by the Central Banking Enquiry Committee, local Governments be requested to allow free remittance transfer facilities for all bonafide co-operative purposes through Government Treasuries in places where there are no branches of either the Imperial Bank or the Reserve Bank of India.

26. The Conference is of opinion that the Indian Registration Act should be amended so as to make compulsorily registrable all decrees passed by Civil Courts and creating a charge on immovable property.

In section, 17, sub-section (2) clause (vi) of the Indian Registration Act, 1908; the following shall be inserted at the end.

'and except a decree or order declaring or creating a charge on immovable property,' or

27. The Indian Co-operative Review be requested to collect information regarding co-operative marketing and supply, cattle insurance with cattle breeding,

ghee and milk supply societies etc., their linking and co-ordination with co-operative credit.

28. Resolved that the following words be added to clause (vi) of section 17 of the Indian Registration Act after the word Court:

'Or any award affecting immovable property of the value of Rupees one hundred or upwards given by an arbitrator appointed under the rules framed under the Co-operative Societies Act.'

29. In view of the fact that representation on the management of a co-operative institution should be exclusively confined to members, it is the opinion of the Conference that there is no need for providing for the separate representation on the Boards of Directors of Co-operative Banks of depositors who are not members and resolved accordingly.

30. (a) Resolved that the Government should be requested to take immediate steps to improve the efficiency and resources of Co-operative Industrial Societies for augmenting war supplies during the period of war and enable them later during normal times to earn better living by placing at their disposal proper qualified technical advice and raw materials and also machinery at controlled rates.

(b) Further that Government orders for the supply of war requirements should be placed with the Industrial Societies through the Registrars concerned not by means of tenders but on a defined profit (adequate margin between cost and sale price) basis, as is the reputed practice in the case of various mills and commercial concerns so that there may reign peace and contentment during the present times of stress among the workers of Cottage Industries and this by itself will form a very material asset to Government.

31. Resolved that the members of Co-operative Societies be completely exempt from the levy of stamp duty and registration fees on all documents executed in favour of the societies.

THE ALL-INDIA CO-OPERATIVE INSTITUTES' ASSOCIATION

32. The following office-bearers were elected:

President.—The Hon'ble Mr. V. Ramadas Pantulu.

Vice-Presidents.—(1) Dewan Bahadur K. V. Brahma, C.I.E., M.B.E.

(2) Dewan Bahadur H. L. Kaji, M.A., I.E.S., J.P.

Hony. Secretary and Treasurer.—Khan Mohammad Bashir Ahmad Khan Esq., M.A., LL.B., M.R.A.S., (London).

Joint Secretary.—Mr. N. Satyanarayana, Hony. Jt. Secretary, The Madras Provincial Co-operative Union.

33. Accounts of the Indian Co-operative Review, The All India Co-operative Institutes' Association, Madras Office and the All-India Co-operative Institutes' Association, Lahore Office as printed in the appendix were passed.

THE INDIAN PROVINCIAL CO-OPERATIVE BANKS' ASSOCIATION.

34. The following office-bearers were elected:

President.—The Hon'ble Mr. V. Ramadas Pantulu.

Vice-President.—Sir Madhorao G. Despande, K.B.E.,

Secretary.—Mr. Mulraj Bhai, Manager, The Punjab Provincial Co-operative Bank, Lahore.

Joint Secretary.—Khan Saheb W. Zaman, Hony. Secretary, The Bengal Co-operative Alliance, Calcutta.

35. Report of the Association as printed in the appendix was adopted.

36. Accounts of the Association as printed in the appendix were passed.

37. Resolved to amend the Constitution of the Association in accordance with resolutions No. 21 and 22 of the Conference.

38. Resolved that Rs. 1,000 may be contributed towards the cost of the publication of the 'Year-Book and Directory of Indian Co-operation, 1942.'

39. Rs. 1,000 were sanctioned for running the Indian Co-operative Review for 1942.

ALL-INDIA CO-OPERATIVE INSTITUTES' ASSOCIATION.

Publications.

THE INDIAN CO-OPERATIVE SERIES.

Volume.

- I. **Co-operation in India**: Edited by Professor H. L. Kaji, M.A., B.Sc., I.E.S. J.P., 1932, Price Rs. 5.
- II. **The Law of Co-operative Societies in India and Burma**: by Rao Bahadur K V. Brahma B.A., LL.B., M.B.E., C.I.E., President, Berar Co-operative Institute, Amraoti Foreword by Sir Lallubhai Samaldas, Kt., C.I.E., 1932, Price Rs. 5.
- III. **The Co-operative Movement in India**: by Dr. Miss E. M. Hough, M.A., Ph.D. Foreword by Professor H. L. Kaji, M.A., B.Sc., I.E.S., J.P., and Introduction by Sir Horace Plunkett. Published by Messrs. P. S. King & Son, Greatsmith Street, London, 1932. Price Rs. 9.
- IV. **The Indian Rustic**: by Mr. J. L. Raina, B.A., M.R.A.S. (London), Assistant Registrar, Co-operative Societies, Kashmir State. Foreword by Professor H. L. Kaji, M.A., B.Sc., I.E.S., J.P., Vice-President, All-India Co-operative Institutes' Association, 1935. Price Re. 1.
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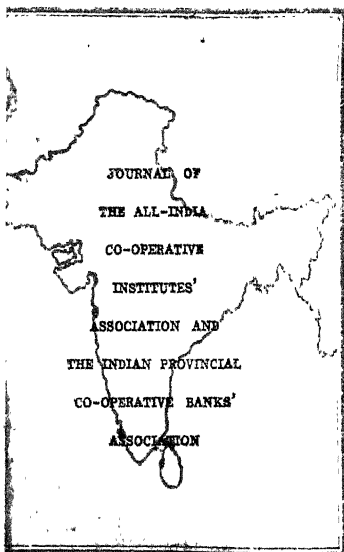
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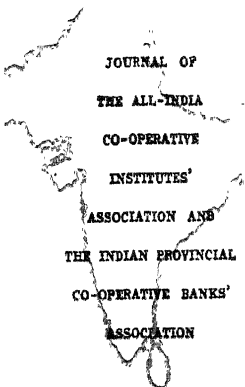
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THE BIHAR PROVINCIAL CO-OPERATIVE BANK, LTD., PATNA.

ESTABLISHED IN 1914.

(THE BANK HAS NO BRANCHES)

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DEPOSIT RATES:—

Fixed deposits for one year $2\frac{1}{4}$ p.c. per annum.

Savings Bank accounts $1\frac{3}{4}$ p.c. per annum on minimum monthly balance.

Current accounts 1 p.c. per annum.

Detailed rules regarding deposits
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Managing Director.

V. M. THAKORE,
Secretary.

THE MADRAS CO-OPERATIVE CENTRAL LAND MORTGAGE BANK LTD.,

President :

Sri. T. A. Ramalingam Chettiar, B.A., B.L., M.L.C.

The 33rd series of debentures for Rs. 20 lakhs bearing interest at 3 p.c. issued at par was fully subscribed and closed. It is expected that the next series will be issued in about 4 months.

19-9-42

SALEM

N. S. KONETI RAU, B.A., B.L.

Secretary.

THE MADRAS PROVINCIAL CO-OPERATIVE BANK, LTD.

Head Office :

379, CHINA BAZAAR ROAD, MADRAS

Balance Sheet as on 30th June, 1941

	Rs.		Rs.
Capital	6,66,500	Cash	25,88,145
Reserves	27,88,803	Investment in Govt. securities	1,16,81,368
Deposits	2,41,46,411	Other investments	1,37,000
Sundries	3,46,298	Loans & overdrafts	1,35,83,762
Profit & Loss A/c.	2,86,359	Premises (acquired entirely out of profits)	
		Sundries	2,44,096
Total	<u>2,82,34,371</u>	Total	<u>2,82,34,371</u>

Analysis of Working

	Year ends 30th June.		
	1939.	1940.	1941.
	Rs.	Rs.	Rs.
Paid up Capital	.. 6,55,800	6,65,600	6,66,500
Reserves	.. 24,70,439	26,18,081	27,88,803
Fixed, Current and other deposits	.. 1,76,36,902	2,15,02,633	2,41,46,411
Net Profit	.. 2,36,144	2,38,206	2,53,398
Amount transferred to Reserve Fund	.. 75,000	75,000	75,000
Other Accounts	.. 99,866	1,02,729	94,004
Dividend at 9 per cent	.. 59,022	59,363	59,941
Carried Forward	.. 36,785	32,961	52,127

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For Rules, etc., apply to :-

T. RAGHAVENDRA RAU,
Secretary.

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Head Office: MADRAS

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New Policies issued during the Calender Year 1941
(1-1-40 to 31-12-40) exceed Rs. 37,58,000

Full particulars from :

C. R. RAGHAVACHARI, M.A.,
Branch Manager.

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Editor: Hon'ble V. RAMADAS PANTULU

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